Reform or Revolution

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INTRODUCTION

The title of this work might seem confusing at first. Can Social-Democracy oppose reforms? Can we separate the fight for workers' rights under the current system from the bigger goal of revolution and ending unfair labor? No. The daily work to improve workers' lives and push for fairer laws within today's society is how Social-Democracy fights for the working class. These steps are the way to reach the final goal: taking political power and ending wage labor. For Social-Democracy, reforms and revolution are deeply connected. Reforms are the tool; revolution is the purpose.

Eduard Bernstein's ideas, shared in his articles Problems of Socialism (in Neue Zeit, 1897–98) and his book *"Die Voraussetzungen des Socialismus und die Aufgaben der Sozialdemokratie"*(The prerequisites of socialism and the tasks of social democracy), argue the opposite. His theory pushes to abandon the end goal of revolution and treat reforms themselves as the ultimate aim. Bernstein summed this up clearly: "The final goal, no matter what it is, is nothing; the movement is everything."

But the final goal of socialism is what makes Social-Democracy different from groups that accept capitalism. Without this goal, the workers' movement becomes just a fight for small fixes, not a true battle to overthrow the system. So, Bernstein's question—reforms or revolution?—is life-or-death for Social-Democracy. Arguing with Bernstein isn't about tactics; it's about whether the movement should exist at all.

At first glance, this might sound extreme. Doesn't Bernstein talk about socialism? Doesn't he say he supports the same goals, just through different methods? Doesn't he claim to agree with Social-Democracy's current actions?

This is all true. Every new movement, when it first creates its ideas and plans, starts by building on what came before, even if it disagrees with it. At first, it uses the same forms and language as the old movement. Over time, the new ideas break free from the old ways. The new movement finds its own shape and voice.

To expect opposition to scientific socialism to be clear and complete from the start—to openly reject the ideas of Social-Democracy—would mean underestimating how strong scientific socialism is. Today, anyone who wants to call themselves a socialist while attacking Marx's ideas (which are some of the greatest human achievements of the century) must start by showing respect for Marx. They must call themselves his follower and use Marx's own words to attack him, claiming their attack is actually improving Marx's ideas. Because of this, we need to look past the surface of Bernstein's theory and find its true meaning. This is especially important for the working-class members of our Party.

There's no greater insult to workers than saying, "Theoretical debates are only for academics." Long ago, Lassalle said, "Only when science and workers, these opposite sides of society, come together, will they crush all barriers to progress with their strength." The power of the modern workers' movement comes from its understanding of theory.

This knowledge is even more important for workers now because they are the ones most affected by these debates. Their future is at stake. Bernstein's theory, which supports opportunism, is really an attempt to give more power to the middle-class ideas that have entered our Party. It tries to shift the Party's goals and policies in that direction. The question of reform or revolution, the final goal versus the movement, is really about whether the workers' movement will stay true to the working class or become more middle-class.

That's why it's so important for the working-class members of the Party to understand this debate with opportunism in detail. If only a few "academics" in the Party understand the theory, the Party risks losing its way. Only when the majority of workers take up the powerful tools of scientific socialism for themselves will the middle-class ideas and opportunistic trends disappear. Then, the movement will stand on solid ground. As they say, "Quantity will do it."

Part One

Chapter I

The Opportunist Method

If we think of theories as mental pictures of the real world, then when we examine Eduard Bernstein's ideas, we must acknowledge that sometimes these pictures can be distorted. Consider a theory that claims socialism can be achieved through social reforms, even when the reform movement in Germany had completely stalled. Picture a theory that argues for controlling trade unions. Think about a theory that insists most parliamentary seats can be won, even after Saxony changed its laws and recent efforts restricted voting rights. But the core of Bernstein's ideas isn't just about Social Democracy's daily actions—it's about his view of how capitalism develops, which directly influences his ideas on what Social Democracy should do.

Bernstein says that capitalism is not likely to fall apart because it can change better and because the ways of making things are becoming more different. He explains that capitalism shows its power to change first when big problems stop happening. This is because of the growth of the credit system, groups of employers, better ways to communicate, and more information services. It also shows its strength in the steady middle class, which comes from many different types of work and from many workers moving up into the middle class. Bernstein also argues that this is proved by the better money and political situations of the working class, thanks to the work of trade unions.

From these ideas, we can reach this general conclusion about the real work of Social-Democracy. It should not use its everyday work to grab political power. Instead, it should work to make life better for the working class within the system we already have. It should not think that a big political or social crisis will bring about socialism. Instead, socialism should be built slowly by gradually increasing how society is organized and by slowly using the idea of working together.

Bernstein thinks his ideas are not new. In fact, he believes they agree with some ideas from Marx and Engels. However, it is hard to say that his ideas do not go against the ideas of scientific socialism.

If Bernstein's new way of thinking only meant saying that capitalism grows slower than people once thought, he would only be giving a reason for the workers to delay taking power—a point that everyone already agreed on. The only result would be a slower fight for power.

But then the question comes up: How and why can we reach the final goal? Scientific socialism says that a socialist revolution is needed because capitalism grows more and more chaotic until it can go no further. But if we agree with Bernstein that capitalism does not move toward its own collapse, then socialism is no longer forced to happen by history. The other two main ideas of scientific socialism still remain—these are that production becomes more social and that the working class grows more aware of its own power. Bernstein has these two ideas in mind when he says, "The suppression of the theory of collapse does not in any way deprive socialist doctrine of the power of persuasion. For, examined closely, what are all factors enumerated by us that make for the suppression or the modification of the former crises? Nothing else, in fact, than the conditions, or even in part the germs, of the socialisation of production and exchange."

Very little thought is needed to see that this leads to a false conclusion. What is the point of all the things Bernstein calls the means of capitalist adaptation—such as corporate alliances, the credit system, better communication, and the improved condition of the working class? They are important because they stop or lessen the problems inside the capitalist economy and prevent these problems from growing worse. Stopping the crises only means stopping the fight between making things and selling them on the capitalist stage. Improving the condition of the working class, or some of its members joining the middle layers, only means that the fight between Capital and Labour is made less strong. But if these factors stop the problems of capitalism and keep the system from falling apart—and that is why Bernstein calls them "means of adaptation"—then how can things like industry giants, the credit system, and trade unions also be "the conditions and even, in part, the germs" of socialism? They can only be so in the sense that they show most clearly the social nature of making things.

By showing production in its capitalist form, these same factors make it unnecessary to change this socialized production into socialist production. That is why they can be the seeds or conditions of a socialist order only in theory and not in history. They are events that we know are connected to socialism, but in truth, they do not cause a socialist revolution; instead, they make such a revolution unnecessary.

There remains one force that supports socialism—the working class becoming aware of its own strength. But this force is not just a simple thought about the growing problems of capitalism and its falling apart. It is now just an idea that is persuasive only because people believe it is perfect.

In short, this is the explanation of the socialist plan using only pure reason. In simpler words, it is an idealist explanation of socialism. The idea that socialism is needed by nature—that it comes from the way society grows—falls apart.

Revisionist theory now faces a problem. Either the change to socialism is, as was thought before, the result of the inner problems of capitalism, and as capitalism grows, its inner problems will get worse and eventually cause its collapse (in which case the "means of adaptation" do not work and the collapse theory is right); or the "means of adaptation" really stop capitalism from falling apart and help it keep going by stopping its own problems. In that case, socialism is no longer a historical necessity. It might be called something else, but it is no longer the result of the way society grows.

This problem leads to another one. Either revisionism is right about how capitalism develops and therefore the change to socialism is just a dream, or socialism is not just a dream and the theory of "means of adaptation" is wrong. That is the question in a nutshell.

Part One

Chapter II

The Adaptation of Capital

According to Bernstein, the credit system, the improved ways of communication, and the new capitalist combines are the important factors that help the capitalist economy change and adapt.

Credit is used in many ways in capitalism. Its two main jobs are to help production grow and to make trading easier. When the natural push for production to grow without limit meets the small size of private property, credit shows up as a way to overcome these limits in a very capitalist way. By using shareholding, credit puts many small amounts of money together into one big amount. This lets each capitalist use other people's money in the form of industrial credit. When used as commercial credit, it speeds up the trading of goods, which helps money return to production and supports the whole cycle of making things.

It is clear how these two main functions of credit affect the creation of economic crises. If crises happen because production wants to grow while the market cannot buy all the goods, then credit is the very tool that makes this conflict happen as often as it can. First, credit makes production grow too much, pushing it to go beyond what the market can handle. But credit works in two ways. After it causes too much production, credit then stops working properly when a crisis begins. When the first signs of trouble appear, credit seems to melt away. It stops helping with trade, even in places where trade is still needed. Instead, where some trade continues, credit becomes weak and useless, lowering the market's ability to buy goods.

Credit does more than just these two things. It also gives an entrepreneur a way to use other people's money. At the same time, it makes people use others' property in a bold and careless way, which leads to speculation. Credit makes crises worse not only by failing as a tool for trade but also by changing trade into a very complicated and fake process. This new process depends on only a small amount of real money and can fall apart at the slightest problem.

We see that credit, instead of being a tool to stop or lessen crises, is actually a very strong tool that creates them. It cannot be anything else. Credit removes the

stiffness in capitalist relationships and makes everything very flexible. It makes all the forces in capitalism stretch out, depend on each other, and react strongly to each other. By doing this, credit makes crises happen more often and makes them worse, since these crises are just the regular clashes of the opposing forces in the capitalist economy.

That brings us to another question. Why does credit seem to be a way for capitalism to adjust and survive? No matter how people describe this "adjustment," it can only mean that credit has the power to weaken or remove one of the many conflicts within capitalism. This would then allow other forces in production to move more freely. But in reality, credit actually makes these conflicts much worse. It makes the struggle between production and trade even stronger by pushing production to its limits while shutting down trade at the smallest sign of trouble. It makes the conflict between production and ownership worse by separating the two, turning the capital used in production into "social" capital while turning part of the profit—interest on capital—into just a piece of paper showing ownership. It also increases the struggle between ownership and production by concentrating massive amounts of productive power in a few hands while pushing many small capitalists out. Finally, it makes the conflict between production as a social process and private capitalist ownership worse by forcing the government to step in and interfere with production.

In short, credit doesn't solve the key conflicts in capitalism; it actually makes them stronger. It speeds up their development and pushes capitalism closer to its own downfall. If capitalism were really trying to adapt, it would need to break or even get rid of credit. But in reality, credit is not a tool that helps capitalism survive—it is actually one of the strongest forces driving it toward destruction. This revolutionary nature of credit has even inspired ideas for "socialist" reforms. Some people have supported these ideas, including figures like Isaac Pereira in France, whom Marx described as part prophet and part swindler.

The second so-called "solution" to capitalism's problems—employers' organizations—is just as weak. Bernstein claims that these organizations will put an end to the chaos of production and stop economic crises by controlling how much gets produced. However, people haven't really thought through all the effects that come from the rise of industry groups and trusts. These business groups create a situation that can only be properly understood using Marxist ideas.

One thing is clear: we could only say that capitalist organizations are stopping economic chaos if industrial monopolies, trusts, and similar groups actually became the main way production was run. But that can't happen because of how market leaders work. The main goal of these business groups is to control competition in a certain industry so they can control prices and increase their profits. By doing this, they make sure that more of the market's total profit goes to their industry instead of others. But this only works in certain industries, and if every industry tried to do the same thing, it would cancel itself out.

Even within their limits, these business groups don't reduce chaos in the economy—they actually make it worse. Big companies often make more money in their home markets by selling their products at a higher price, but to keep production going, they sell extra products abroad for much cheaper. This means they are actually making competition in foreign markets even more intense instead of reducing it. The history of the global sugar industry is a clear example of this happening.

Finally, capitalist groups make the problem worse between the worldwide economy and the nation's government because they always lead to a big tariff war that makes the differences between capitalist countries even sharper. We must also add that industry giants strongly push the concentration of production and speed up technical progress.

In other words, when we look at their overall effect on the capitalist economy, industrial monopolies and trusts do not work as tools to help capitalism adjust. They do not lessen the deep conflicts of capitalism. Instead, they seem to cause more chaos. They help the inner conflicts of capitalism grow and make its overall decline come sooner.

But if the credit system, corporations, and the rest do not stop capitalism's chaos, why have we not seen a major commercial crisis for twenty years since 1873? Does this mean that, unlike what Marx said, capitalism has changed to meet society's needs? No, because just after Bernstein rejected Marx's theory of crises in 1898, a deep general crisis broke out in 1900, and seven years later a new crisis starting in the United States hit the world market. The facts showed that the idea of "adaptation" was false. They also showed that those who abandoned Marx's crisis theory because no crisis happened over a short time confused the true meaning of the theory with one of its less important parts—the idea of a ten-year cycle. For Marx and Engels, the ten-year cycle was only a simple statement of the facts in 1860 and 1870. It was not a natural law but was based on a series of historical events connected with the fast growth of young capitalism.

The crisis of 1825 happened because a lot of money was spent on building roads, canals, and gas works during the previous decade, especially in England where the crisis started. The next crisis from 1836 to 1839 was also caused by heavy investment in transportation. The crisis of 1847 was brought about by the feverish building of railroads in England—in just three years, from 1844 to 1847, the British Parliament gave railway rights worth 15 billion dollars. In each of these three cases, a crisis came after new foundations for capitalist development were built. In 1857, a similar result came when new markets for European industry suddenly opened in America and Australia after gold was found, and many railroads were built, especially in France, where they copied England's example. From 1852 to 1856, France built railway lines worth 1,250 million francs. And finally, there was the great crisis of 1873—a direct result of the strong boom in large industry in Germany and Austria that followed the political events of 1866 and 1871.

So far, every commercial crisis was caused by the sudden growth of the capitalist economy, not by its shrinking. The fact that international crises happened every ten years was just an outside occurrence, a matter of chance. The Marxist formula for crises, as explained by Engels in Anti-Dühring and by Marx in the first and third volumes of Capital, applies to all crises only in that it shows their worldwide pattern and their basic causes.

Crises might happen every five or ten years, or even every eight or twenty years. But the best proof that Bernstein's theory is wrong is that the most violent crisis (1907-1908) occurred in the countries with the most developed "means of adaptation"—credit, advanced communications, and trusts.

The idea that capitalist production can "adapt" to exchange assumes one of two things: either the world market can grow without limits, or the growth of productive forces is so restricted that it cannot go beyond the market's limits. The first idea is physically impossible. The second is just as impossible because constant technical progress every day creates new productive forces in every area.

There is still another event that, according to Bernstein, goes against the course of capitalist development as described above. In the steady group of medium-sized businesses, Bernstein sees a sign that the growth of large industry is not moving in a revolutionary way, and is not as effective in concentrating industry as the "theory" of collapse expected. However, he is mistaken here because he does not understand the process well. To think that large industry is slowly disappearing is to sadly misunderstand the nature of this process.

Marxist theory says that owners of small businesses are like pioneers who bring new technology and new ways of making things into capitalism. They do this in two ways. First, they start new methods of production in industries that are already well established. Second, they help create entirely new industries that big companies have not yet taken over. It is wrong to think that the history of medium-sized business owners simply moves in a straight line toward disappearing. Instead, their growth goes up and down and is full of conflicts. These medium-sized business owners, like the workers, are caught between two opposing forces—one that pushes them upward and one that pushes them downward. In this case, the downward force is the constant growth in the scale of production, which sometimes becomes so large that it makes the average amount of capital too small to compete in the world market.

The upward force works in two ways. One is that the value of the money or assets they already have goes down over time, which for a while reduces how much they can produce compared to the minimum money needed. This force also shows itself when capitalist production moves into new areas. The struggle between medium-sized businesses and big capital is not a simple battle where the weaker side just loses slowly. Instead, it happens in cycles where small businesses quickly grow up, only to be cut down again by large industry. These two forces take turns affecting medium-sized business owners, and in the end, the downward force wins.

For the working class, the situation is quite different. The victory of the downward force does not always mean that the number of medium-sized businesses goes down. It shows up first by making the minimum amount of money needed to run businesses in old industries get higher and higher. It also shows up by shortening the time small business owners have to take advantage of new industries. For a small business owner, this means spending less time in a new industry and having to deal with faster changes in the ways of production where they invest. Overall, for the average group of business owners, there is a process of faster joining together and breaking apart over time.

Bernstein understands this very well, and he even talks about it himself. But what he seems to forget is that this pattern is exactly how medium-sized businesses behave over time. If we agree that small business owners help bring new technology and improvements, and if these improvements are what keep capitalism alive, then it is clear that small business owners are a necessary part of capitalism. They will only disappear if capitalism itself disappears.

Bernstein thinks that the disappearance of medium-sized businesses means that capitalism is heading toward a revolution. But in reality, it would mean the opposite—it would mean that capitalism is slowing down or even stopping. Marx explained that the rate of profit, or how fast capital grows, is especially important for new business owners trying to start on their own. If only a few big capitalists are the ones making all the investments, then the energy that keeps production going will fade away and eventually die out.

Part One

Chapter III

The Realisation of Socialism

through Social Reforms

Bernstein does not believe that society will move to socialism by waiting for capitalism to collapse. Instead, he talks about how capitalism can change on its own. But he only hints at how this change will lead to socialism. Konrad Schmidt tries to explain this idea in a similar way. He says that when workers fight for better hours and wages and when people work for more reforms, they will slowly gain more control over how things are made. As laws weaken the rights of the capitalist owner, the owner will eventually only act as a manager. The owner's property will lose value to him until, finally, he loses all control over how work is run and a system of shared control is put in place.

So, according to Bernstein, trade unions, social reforms, and more democratic government are the ways to slowly build socialism.

But the truth is that the main job of trade unions—as Bernstein explained in 1891—is to help workers sell their labor at the prices set by the market. Trade unions let workers take advantage of the current market conditions. However, the factors that decide wages—the demand for workers, the supply of workers from the middle class and new workers, and how productive work is at that moment—are not controlled by trade unions. This means trade unions cannot stop the law of wages. Even at their best, they can only force capitalist exploitation to stay within what is normal at that time. They do not have the power to end exploitation, not even slowly.

Schmidt admits that the trade union movement is very weak at the start. He hopes that in the future, trade unions will have more power to control production. But controlling production only means two things: getting involved in the technical side of making things and deciding how much is made. When it comes to the technical side, capitalists actually have an interest in making improvements because it helps their business grow. But for a single worker, every new technical change can hurt him. New

machines and methods can lower the value of his work and make his job harder, more repetitive, and more tiring.

Because of this, when trade unions try to get involved in the technical part of production, they end up fighting against technical innovation. This does not help all workers or help them break free from their difficult work, which is actually more in line with what the individual capitalist wants. In fact, workers' attempts to control the technical side of production were seen in the early days of trade unions in England, before 1860, when they still followed old medieval ideas and believed in the outdated rule of "a fair day's wage for a fair day's labour."

On the other hand, the effort by labor unions to set fixed levels for production and prices is a new idea. We have only seen this happen recently, and again it has been tried in England. In many ways, these efforts are like those mentioned before. When trade unions try to control production and prices, they end up forming a kind of team between workers and business owners that stands against consumers and even against competing business owners. This is no different from what happens when employers form their own groups. It stops being a fight between labor and capital and becomes a show of unity between labor and capital against all consumers. Seen this way, it is considered a backward step because it goes against the real struggle for workers' freedom. In practical terms, it is like chasing a dream that cannot work for the big industries that sell their goods all over the world.

So, the main job of trade unions is limited to trying to get higher wages and shorter work hours. In other words, they work to control the unfair treatment of workers based on the current state of the world market. But labor unions have no power to change the way production itself happens. In fact, contrary to what Konrad Schmidt says, the development of labor unions is actually moving toward a situation where the labor market becomes completely separate from the rest of the market. This is shown by the fact that even ideas like linking labor contracts to the overall state of production—such as using sliding wage scales—have become old-fashioned. British labor unions, for example, are moving further and further away from such methods.

Even where labor unions are active, they cannot grow as much as some theories claim. Instead of a future where labor unions win big, we are headed toward a time when the challenges they face will become even tougher. Once industrial growth reaches its highest point and capitalism starts to decline on the world market, the struggle for unions will become doubly hard. First, the market will be less friendly to those selling their labor because demand for labor will rise more slowly and the supply of workers will grow faster than it does now. Second, business owners, trying to cover up losses in the world market, will work even harder to cut the share of profits that go to workers as wages. Marx pointed out that cutting wages is one of the main ways to slow down the drop in profits. In England, we can already see the beginning of a new stage for labor unions, where their actions are limited to defending what they have

already won—and even that is becoming more difficult. This is the overall trend in society, and it should be met by a stronger political side in the class struggle.

Konrad Schmidt makes a similar mistake when he talks about social reforms. He thinks that social reforms, just like labor union groups, will "dictate to the capitalists the only conditions under which they can employ labor." When reforms are seen this way, Bernstein calls labor laws a form of "social control" and, as a result, a part of socialism. Likewise, Schmidt always uses the term "social control" when referring to labor protection laws. By doing so, he turns the idea of the State into an expression of society and then confidently adds, "That is to say, the rising working class." Because of this mix-up, the ordinary labor laws passed by the German Federal Council are mistakenly seen as temporary socialist measures made by the German workers.

Konrad Schmidt's idea of history shows that a capitalist changes from being a full owner to just a manager. This does not match real history. In reality, a capitalist changes from being both an owner and a manager into simply being an owner. What happens to Schmidt here happened to Goethe as well:

"What is, he sees as in a dream.
What no longer is, becomes for him reality."

Just as Schmidt's idea goes backwards from a modern share-holding society to a small artisan's shop, he also wants the law to take the capitalist world back to the old feudal times of the Middle Ages.

Also, the idea of "social control" looks very different in real life than what Schmidt sees. Today, things like labor laws and the control of companies through shareholding are what we call "social control." These have nothing to do with his idea of "supreme ownership." Instead of cutting down capitalist ownership as Schmidt believes, this "social control" actually protects that ownership. In economic terms, it is not a threat to the way capitalists use workers; it simply controls that process.

When Bernstein asks if there is more or less socialism in a labor protection law, we can say that even the best labor law is no more "socialist" than a city rule for cleaning streets or turning on street lamps.

Part One

Chapter IV

Capitalism and the State

Bernstein says that another requirement for slowly reaching socialism is the way the government changes within society. Many people say that today's government is a "class State" because it represents a particular class. But this idea should not be seen as an unchangeable fact, just as we should not see capitalist society in a fixed way.

The government became capitalist when the middle class won politically. As capitalism grows, it changes the nature of the government. The government gets a wider role and new duties, especially in economic life, and it must step in and control society more and more. In this way, capitalism slowly blends the government with society. In other words, the government's role returns to being part of society. This is what Marx meant when he called labor laws the first clear action of "society" in important social matters—a view that Bernstein strongly supports.

At the same time, capitalism also changes the government in another way. Today, the government is mainly an organization of the ruling class. It takes on tasks that help society only when those tasks also serve the interests of the dominant class. For example, labor laws are made as much for the benefit of the capitalist class as for society in general. But this balance works only up to a certain point. When capitalism reaches a high level, the interests of the rich and the needs of economic progress start to clash even among capitalists. We believe this conflict has already begun. It shows up in two important parts of modern society: one is the policy of tariff barriers, and the other is militarism. These two factors have played a crucial, even revolutionary, role in the history of capitalism. Without tariff protection, big industry could not have grown in many countries. But now, the situation has changed.

Today, tariff protection is not used to help new industries grow but rather to artificially keep old forms of production alive.

From the point of view of capitalist development—that is, looking at the world economy—it does not really matter if Germany sells more goods to England or if England sells more to Germany. In this view, one might say that the old system, symbolized by the "blackamoor," has done its job and now should step aside. Because

all branches of industry depend on each other, putting a protectionist tariff on any one product will raise the cost of making other products in the country. This, in turn, slows down industrial growth. However, this is not seen as a problem by the capitalist class. While industry itself does not need tariffs to grow, business owners want tariffs to protect their own markets. Today, tariffs are no longer used to protect a new, developing part of capitalism from a more advanced part; instead, they are used by one national group of capitalists against another. Tariffs are also not needed to help industry build and control the local market anymore. Now, they are essential for forming business cartels—groups of companies that fight against the whole consumer society. What shows the true nature of modern customs policies is that, nowadays, agriculture, not industry, is the main factor in setting tariffs. In this way, customs protection has become a tool to express old feudal interests in a new, capitalist form.

A similar change has happened with militarism. If we look at history as it really was—not as it might have been or should have been—we must agree that war was a necessary part of capitalist growth. The United States, Germany, Italy, the Balkan States, and Poland all grew their capitalist systems because of wars, whether they won or lost. In the past, when countries were divided inside or isolated from the rest of the world and needed to be overcome, militarism played a revolutionary role for capitalism. But now the situation is different. If world politics are filled with dangerous conflicts, it is no longer a matter of opening new countries to capitalism. Instead, it is about old European conflicts that have spread to other lands and exploded there. The countries at war today in Europe and on other continents are not split into capitalist nations on one side and backward nations on the other. They are states pushed into war because they are all similarly advanced in capitalism. Because of this, a war is sure to have a deadly effect on capitalist development—it will cause a very big change and disruption in the economies of all countries.

However, things look very different when we think about them from the point of view of the capitalist class. For them, militarism has become very important. First, it is a way to fight for "national" interests against other nations. Second, it serves as a method for placing financial and industrial capital. Third, it acts as a tool for controlling the working people within a country. These interests do not really have anything to do with the natural growth of capitalist production. What shows the true nature of today's militarism is that it grows in all countries from its own built-in, mechanical force—a phenomenon that was completely unknown many decades ago. We see this in the deadly character of the coming explosion, which is sure to happen even though the goals and reasons for the conflict are not clear. Driven by capitalist development, militarism has turned into a kind of disease of capitalism.

Looking at the history of how governments have grown, Bernstein and Konrad Schmidt believe that adding more "social control" will directly bring about socialism. But this idea is becoming more and more at odds with what really happens every day.

The plan for slowly turning capitalism into socialism means changing how private property works and how the government runs things, step by step. But because of the natural laws of society, these two parts actually move in the opposite direction. Production becomes more social, and the government gets more involved in running production. Yet, at the same time, private property turns into a clear way for capitalists to profit from the work of others, and the government's control becomes filled with the interests of the rich. In other words, both the political side of capitalism—the government—and the legal side—the property laws—become more and more capitalist, not more socialist. This creates two big problems for the idea of gradually bringing in socialism.

Fourier once had a wild idea of changing all the seas into tasty lemonade using special communities called phalansteries. In a similar way, Bernstein tries to change the bitter world of capitalism into a sweet socialist world by slowly adding small reforms, but his idea is just as weak and fantastical.

While the way things are made in capitalist society is getting closer to how they would be in a socialist society, the government and legal rules are building a growing wall between the two systems. This wall does not come down on its own. In fact, social reforms and democracy only make it stronger. Only a strong, revolutionary change—where the working class takes political power—can break down this wall.

Part One

Chapter V

The Consequences of Social Reformism and General Nature of Reformism

In the first chapter, we tried to show that Bernstein's theory lifted the socialist movement's plan off its real, material base and put it on an idea-based foundation. How does this theory work when put into practice?

At first look, the party actions that come from Bernstein's theory do not seem very different from the actions of Social Democracy up to now. In the past, the Social-Democratic Party focused on trade union work, fighting for social reforms, and making existing political institutions more democratic. The difference is not in what they do, but in how they do it.

Today, many believe that trade union struggles and work in Parliament are ways to guide and teach the working class so they will be ready to take power. From the revisionist view, the idea of taking power is seen as either impossible or useless. Therefore, they say that trade union and parliamentary work should only be done to get quick results—that is, to improve workers' lives, gradually reduce capitalist exploitation, and extend social control.

If we set aside the immediate improvement of workers' conditions—a goal both our party program and revisionism share—the difference between the two views can be summed up as follows. According to our current party idea, trade union and parliamentary work are important for the socialist movement because such actions prepare the working class, creating the inner drive needed for real socialist change. But according to Bernstein, trade union and parliamentary work actually lessen capitalist exploitation. They slowly remove the capitalist character from society and bring about the social change that is desired.

Looking closely, we see that these two ideas are completely opposite. From our party's current standpoint, trade union and parliamentary struggles lead the working class to realize that a basic change in society cannot be achieved by such actions

alone. This realization makes them understand that taking power is necessary. Bernstein's theory, however, starts by saying that taking power is impossible. It ends by claiming that socialism can only come through trade union and parliamentary work because these actions have a gradually socializing influence on the capitalist economy.

We tried to show that this so-called influence exists only in our minds. The way private property and the government work in capitalism go in completely opposite directions. Because of this, the everyday work of today's Social Democracy has lost all real connection with building socialism. For a movement that wants socialism, trade-union work and activity in Parliament are very important only because they help workers learn to think in a socialist way and organize themselves as a group. But if we see these actions as the tools to change the capitalist economy into a socialist one, they not only lose their normal power but also stop helping the working class get ready to take over power. Eduard Bernstein and Konrad Schmidt are completely mistaken when they tell themselves that even if the party's work is reduced to fighting for social reforms and regular trade-union work, the final goal of the labor movement is still kept alive because each small step goes beyond its immediate aim and hints at the socialist goal.

This is true for the way German Social Democracy works today. It works when there is a strong and clear effort to take political power mixed with the trade-union struggle and the fight for social reforms. But if that strong effort is taken away and social reforms become the final goal on their own, then these actions do not lead to socialism at all. In fact, they work in the opposite direction.

Konrad Schmidt simply relies on the idea that once a movement starts, it cannot stop on its own because "one's appetite grows with the eating." He believes that the working class will never be satisfied with only reforms until full socialism is achieved. That last idea is real, and its effect is shown by the fact that capitalist reforms are never enough. But his conclusion could only be true if we could build an unbroken chain of better and better reforms that would lead us from today's capitalism to socialism. This is nothing more than a fantasy. In reality, the chain of reforms breaks quickly, and the different ways that progress might go from there are many and mixed.

What would happen if our party changed its plan to focus only on the practical results of our struggle—that is, on social reforms? Once "immediate results" become our main goal, the clear and uncompromising view that makes sense only when it means winning power will become more and more inconvenient. The direct result of this will be that the party adopts a "policy of compensation"—a way of trading political favors and taking a shy, diplomatic stance. But this way of acting cannot last very long. Since social reforms can only offer empty promises, the natural result of such a program is disappointment.

It is not true that socialism will appear automatically from the everyday struggles of workers. Socialism will come because of two things. First, the problems and conflicts in the capitalist economy keep growing. Second, workers must come to

understand that these conflicts can only be solved by a big social change. When revisionism denies the first condition and rejects the second, the labor movement ends up as just a group that works together for small improvements. This path leads straight to giving up the idea of class struggle.

This result is also clear when we look at what revisionism really is. Revisionism does not want to admit that it is supporting capitalism. It does not join with rich economists in saying that the conflicts of capitalism do not exist. Instead, the key point of revisionism—and what makes it different from the way Social Democracy has acted until now—is that it does not believe the conflicts in capitalism will disappear by themselves as the economy grows.

We can say that revisionism sits between two extremes. It does not expect that the conflicts of capitalism will become fully mature. It does not plan to end these conflicts with a revolutionary change. Instead, it wants to lessen or reduce the conflicts. It claims that the struggle between making things and selling them will be softened if crises stop happening and if capitalist business groups are formed. It believes that the fight between capital and labor can be managed by improving workers' conditions and keeping the middle class strong. And it thinks that the conflict between a government run by one class and society can be solved by more government control and more democracy.

It is true that the current way of doing things in Social Democracy does not wait until all the conflicts in capitalism have grown to then try to fix them. In a true revolutionary approach, the direction of these conflicts should guide the political struggle. In fact, Social Democracy has fought against tariff wars and militarism without waiting for these backward forces to fully show themselves. Bernstein's plan is not based on the idea that capitalism will simply get worse because of its conflicts. Instead, it is based on the hope that these conflicts will gradually be lessened. He shows this when he talks about the "adaptation" of the capitalist economy.

When can this idea be right? If capitalism keeps growing the way it is now, then its problems and conflicts must get worse instead of disappearing. The chance that these conflicts might lessen means that capitalism itself would have to stop growing. In short, Bernstein's theory depends on capitalism coming to a stop.

But this idea makes Bernstein's theory fall apart in two ways. First, it shows a kind of dreamy, idealistic view about how socialism will be built. It is clear that if capitalism develops poorly, it cannot lead to a true socialist change. Second, Bernstein's theory turns out to be against the fast growth of capitalism that we see today. With real capitalism developing so rapidly, how can we understand Bernstein's position?

In the first chapter, we showed that the economic reasons Bernstein uses to explain today's social relationships have no real basis. We saw that neither the credit system nor business cartels can truly be called "ways for capitalism to adapt." We also saw that even a temporary pause in crises or the survival of the middle class cannot be

taken as signs that capitalism is adapting. Even if we ignore all these wrong details in Bernstein's theory, there is still one common problem: his theory does not grasp how these parts of today's economy fit together as a living, connected whole. Instead, he takes them out of their real economic context and treats them as if they were separate pieces of a dead machine.

Take, for example, Bernstein's idea that credit helps capitalism adjust. If we understand credit as a natural step in the growth of trade, and therefore as part of the conflicts that come with capitalist trade, we cannot also see it as some separate tool that helps capitalism adapt. That would be like saying that money, goods, and capital themselves are ways for capitalism to fix its own problems.

But credit, just like money, goods, and capital, is a natural part of capitalism at a certain stage of its growth. It is a key piece of the capitalist system, something that helps it function. At the same time, though, it also makes capitalism's problems worse. It deepens the conflicts that already exist within the system.

The same thing applies to business cartels and the improved ways people communicate and trade today. These things do not smooth out capitalism's contradictions—they actually make them sharper.

Bernstein takes a mechanical view when he claims that the possible end of economic crises shows that capitalism is adapting. He treats crises as simple mistakes in the economic system, as if fixing them would allow capitalism to run smoothly. But crises are not just random breakdowns. In fact, capitalism cannot function without them.

Crises are the only way capitalism can temporarily fix the conflict between endless production and the limited size of the world market. Because of this, crises are not accidents but a natural and necessary part of the capitalist system.

But even more dangerous to capitalism than crises is something hidden within capitalism's own success—the constant drop in the rate of profit. This happens not only because of the conflict between production and trade but also because labor itself becomes more productive over time. As profits shrink, it becomes harder and harder for small and mid-sized businesses to survive. This, in turn, slows down the creation of new businesses and limits where capital can be invested, making capitalism's problems even worse.

Crises are actually an essential part of capitalism. They happen as a result of how the system works, causing the value of capital to drop for a time. This leads to lower prices for production materials, some businesses stopping their operations, and eventually, an increase in profits. Because of this, crises allow capitalism to restart and continue growing. If crises were to completely disappear—not just temporarily stop but vanish forever—capitalism would not keep developing. It would collapse.

Bernstein, with his mechanical way of thinking, does not see how necessary crises are. He also ignores the importance of small and mid-sized businesses constantly entering the market. That is why he mistakenly believes that their reappearance means

capitalism is no longer growing, when in reality, this is just how capitalism normally functions.

There is one perspective from which the world looks exactly like Bernstein describes. It is the viewpoint of an individual capitalist, who only sees the economy as it affects him personally. He does not see the big picture, only the immediate effects of competition around him. To him, crises really do seem like random breakdowns. If crises stopped happening, he would have a longer chance to stay in business. He sees credit as just a tool to help him sell more. If he joins a cartel, it seems like it truly gets rid of chaos in the industry. But this is just an illusion—capitalism as a whole does not work the way he thinks it does.

Revisionism is just a theory that comes from looking at capitalism the way a single business owner would. But where does this way of thinking actually belong? It fits right into ordinary, mainstream capitalist economics.

The mistakes of this school of thought all come from seeing competition only from the viewpoint of one business, instead of looking at how capitalism works as a whole. Just like Bernstein believes credit helps the market adjust smoothly, mainstream capitalist economists also think capitalism itself has the solutions to its own problems. Like Bernstein, they believe capitalism can be controlled and improved, instead of seeing its deeper issues. And just like Bernstein, they eventually focus only on trying to fix the surface problems of capitalism, rather than addressing its real contradictions. In the end, they fall into a way of thinking that holds back progress. They believe in a false dream—something that is impossible.

So, we can describe the theory of revisionism like this: it is a way of keeping the socialist movement stuck in place, using mainstream capitalist ideas to support the false belief that capitalism itself will stop changing.

Part Two

Chapter VI

Economic Development and Socialism

The biggest success of the growing working class movement has been finding real support for making socialism come true based on the way capitalist society works. Because of this discovery, socialism stopped being a far-off dream and became something that had to happen in history.

Bernstein says that today's society does not have the economic conditions for socialism. His ideas on this have changed over time. At first, in Neue Zeit, he simply argued that industry was not getting concentrated too quickly. He based his view on comparing job statistics in Germany from 1882 and 1895. Even when he showed that medium-sized businesses were still around, he did not weaken Marx's analysis, because Marx did not require a fixed rate of concentration or the complete disappearance of small capitals (what people call the loss of the petit bourgeoisie) for socialism to occur.

Later, Bernstein presented a new set of proofs in his book using statistics about shareholding companies. He used these numbers to claim that the number of shareholders kept growing, so the capitalist class was not shrinking but getting larger. It is surprising that Bernstein did not know much about his own data, and it is even more surprising how poorly he used the available information to support his ideas.

If Bernstein wanted to disprove Marx's law of industrial development by looking at shareholding companies, he should have used very different numbers. Anyone who knows the history of shareholding companies in Germany can see that their average starting capital has almost constantly become smaller. For example, before 1871 their average starting capital was 10.8 million marks, but in 1871 it dropped to only 4.01 million marks, then to 3.8 million marks in 1873, less than 1 million from 1882 to 1887, 0.52 million in 1891, and only 0.62 million in 1892. After that, the numbers stayed around 1 million marks, falling to 1.78 in 1895 and to 1.19 in the first half of 1897. (Van de Borght: Handwörterbuch der Staatsswissenschaften, 1.)

These are very surprising numbers. Bernstein hoped to show from them that there is a trend going against Marx's view, where large companies turn into small ones. The clear answer to his attempt is that if you want to prove something with statistics, you must first show that the data comes from the same parts of industry. You cannot prove that small companies really replace large ones if they only appear in industries that already had small or artisan businesses before. In fact, this cannot be shown. The movement from very large shareholding companies to medium-sized and small companies can only be explained by the fact that the system of shareholding companies is spreading into new areas of production. In the past, only a few large companies were organized as shareholding companies. Over time, shareholding organization has spread to include medium-sized and even small companies. Today, we can even see shareholding companies with a capital of less than 1,000 marks.

What is the economic importance of more and more shareholding societies? In simple words, as shareholding societies spread, it shows that production under capitalism is becoming more social. This means that not only big companies but also medium and small companies are sharing in production. So, the growth of shareholding does not go against Marxist theory—in fact, it strongly supports it.

What does a shareholding society really mean economically? On one hand, it means that many small fortunes are combined to form one large sum of money for production. On the other hand, it means that the act of making things is separated from who actually owns the money. In other words, this change wins twice over the way production works in capitalism, even though it is still within a capitalist system.

What do the numbers that Bernstein shows mean, the ones that say more and more shareholders are joining companies? They show that today a capitalist company is no longer owned by one single person. Instead, it is owned by many people. The idea of a "capitalist" is not about an isolated individual anymore. Today's industrial capitalist is more like a group made up of hundreds or even thousands of individuals. The term "capitalist" has itself become a social category; it has become "socialized" within the framework of capitalist society.

So how can we explain Bernstein's belief that shareholding societies mean that capital is spread out rather than concentrated? Why does he see capitalist property as growing when Marx argued that it was being reduced? This is a simple economic mistake. For Bernstein, the term "capitalist" does not refer to how production works; it refers instead to the right to own property. To him, a "capitalist" is not an economic unit but a financial one. And "capital" is not a factor that helps make things; it is simply a certain amount of money. That is why, in his example of an English sewing thread trust, he does not see 12,300 people combining their money into one single capitalist unit. Instead, he sees 12,300 different capitalists. That is why, for Bernstein, even an engineer like Schulze—whose wife's dowry gave him a large number of shares from a stockholder named Mueller—is also called a capitalist. For Bernstein, it seems as if the entire world is filled with capitalists.

Here again, the root of his economic error lies in his “popularisation” of socialism. He does this by moving the idea of capitalism from the way production works to the way property is owned. By talking about simple individuals instead of talking about entrepreneurs, he shifts the discussion about socialism from the relationship between Capital and Labour to the relationship between the rich and the poor.

In this way, we are led from Marx and Engels to the author of the Evangel of the Poor Fisherman. There is one difference, though. Weitling, with the sure instinct of the working class, saw the fight between the poor and the rich as the basic form of class struggle and wanted to use that struggle to help bring about socialism. Bernstein, on the other hand, believes that socialism will come when the poor become rich. In other words, he thinks socialism will happen when class differences are weakened, and this change will come from the small business class.

It is true that Bernstein does not only use income statistics. He also shows numbers about companies from countries such as Germany, France, England, Switzerland, Austria, and the United States. But these numbers compare different countries at one time, not the same country at different times. Except in Germany, where he repeats an old comparison between 1895 and 1892, he does not compare how companies change over time in one country. Instead, he gives the absolute figures from different countries, such as England in 1891, France in 1894, and the United States in 1890.

He then concludes, “Though it is true that large exploitation is already supreme in industry today, it nevertheless, represents, including the enterprises dependent on large exploitation, even in a country as developed in Prussia, only half of the population occupied in production.” This is also true in Germany, England, Belgium, and other countries.

But what does he actually prove with these numbers? He does not prove that there is a certain trend in economic development. Instead, he only shows the exact balance of power between different types of businesses or, in other words, between different classes in our society.

If someone wants to argue from this method that socialism cannot be achieved, they must base their argument on the idea that the outcome of social efforts depends on the number and strength of the forces in the struggle—in short, on the use of violence. In other words, Bernstein, who always shouts against Blanquism (see Louis Blanqui), ends up making the same big mistake as the Blanquists. The Blanquists, who were a revolutionary socialist group, thought that the economic achievement of socialism was natural. They believed that a violent revolution—even by a small minority—could bring socialism. Bernstein, however, argues that because there is not a large enough socialist majority, the economic achievement of socialism is impossible. Social-Democracy does not expect to reach its goal through either the violent victory of a minority or the strength of a large majority. Instead, it believes that socialism will come because of economic necessity and because people come to understand that

necessity, leading the working masses to overthrow capitalism. And this need for change shows itself most clearly in the chaos of capitalism.

What is Bernstein's view on the big question of chaos in the capitalist economy? He only denies that huge, all-encompassing crises will happen. He does not deny smaller or national crises. In other words, he refuses to see most of the chaos in capitalism—he only sees a little of it. As Marx once compared it, he is like the foolish virgin who had a child "who was only very small." But the problem is, when it comes to economic chaos, whether it is a little or a lot, both are very harmful. If Bernstein only sees a little chaos, then the way the market works will soon make that little chaos grow until it leads to collapse. And if he hopes to slowly change that small amount of chaos into order while still keeping the system of buying and selling goods, he makes a big mistake: he believes that the way things are exchanged is separate from the way things are produced.

We will not go into a long explanation of Bernstein's surprising confusion about the simplest ideas of political economy, but one point must be made clear right away.

Bernstein says that Marx's law of surplus value is just a simple idea—an abstraction. In political economy, saying something like that is clearly an insult. But if surplus value is only a simple idea, only something made up in the mind, then any normal person—someone who has served in the military and pays taxes—would have the same right as Karl Marx to create his own version of value. In other words, just as Marx can ignore all the special qualities of goods until they become nothing more than amounts of simple human labor, so can the economists of the Böhm-Jevons school ignore all the qualities of goods except for how useful they are.

That is, for Bernstein, both Marx's idea of social labor and Menger's idea of abstract utility are just pure ideas—nothing more than abstract thoughts. Bernstein completely forgets that Marx's abstraction is not something he invented. It is a discovery. It does not only exist in Marx's head but is found in the market economy itself. It is not imaginary at all, but a real social fact—so real that it can be measured, cut, hammered, weighed, and even turned into money. The abstract human labor that Marx discovered is, when fully developed, nothing other than money. This is one of Marx's greatest discoveries, while all the rich political economists—from the first mercantilists to the last classicists—have kept the true nature of money as a mysterious puzzle.

The idea of abstract utility from Böhm-Jevons is really just a clever idea made up by the mind. More precisely, it shows empty thinking—a personal absurdity that cannot be blamed on capitalism or any other society, but only on the ordinary bourgeois economy itself. Clinging to their own clever ideas, Bernstein, Böhm, Jevons, and all their like-minded friends can go on for twenty years or more trying to solve the mystery of money, yet they never reach a different conclusion than any cobbler would: money is simply a "useful" thing.

Bernstein has completely lost his grasp of Marx's law of value. Anyone with even a little knowledge of Marx's ideas knows that without this law, Marx's whole theory cannot be understood. In other words, if someone does not understand what a commodity is and how it is exchanged, then the entire capitalist economy, with all its connections, will always be a mystery.

What was the key that allowed Marx to unlock the secrets of capitalist society and solve problems that even the greatest classic economists did not suspect? It was his view of capitalist economy as something that changes over time—not just looking at its feudal past, as classic economists did, but also at its socialist future. The secret of Marx's theory of value, his study of money, his theory of capital, his idea of profit, and his whole analysis of the economic system lies in the temporary nature of capitalist economy and the fact that its collapse is inevitable, leading to socialism. Only because Marx looked at capitalism from a socialist point of view, from a long-range historical perspective, was he able to understand the hidden messages in capitalist economy. And it is exactly because he started from a socialist viewpoint that he was able to give a solid, scientific base to the socialist movement.

This is how we judge Bernstein's comments. He complains about the "dualism" found everywhere in Marx's great work, Capital. Bernstein says that Marx tries to be both a scientific study and to prove a theory that was fully developed long before the book was written. He even points back to the Communist Manifesto—the clear call for socialism—as proof that Marx's ideas still carry some traces of old, idealistic dreams.

But what does Marx's "dualism" really mean if not the split between a socialist future and a capitalist present? It is the split between Capitalism and Labour, between the rich (the bourgeoisie) and the working class (the proletariat). It is a scientific way of showing the deep conflict inside capitalist society.

By calling Marx's dualism "a survival of utopianism," Bernstein is really admitting, in a naive way, that he denies the class conflicts within capitalism. He is confessing that, for him, socialism is nothing more than a remnant of old, idealistic thinking. Bernstein's idea of "monism" or unity is simply the unchanging unity of the capitalist system—the unity of a former socialist who has given up on his real goal and decided to see the permanent state of bourgeois society as the true aim of human progress.

Bernstein does not see in the economic structure of capitalism the kind of development that leads to socialism. Yet, to keep his socialist program alive, at least on paper, he is forced to hide behind an ideal idea that is separate from all real economic changes. He has to change socialism from being a clear, historical stage in social development into an abstract "principle."

That is why his idea of the "co-operative principle"—the small hint of socialism that Bernstein tries to add to capitalist economy—appears as a compromise made not for the future of a socialist society, but for Bernstein's own past as a socialist.

Part Two

Chapter VII

Co-operatives, Unions, Democracy

Bernstein's version of socialism promises that workers will share in society's wealth, so that the poor become rich. But how will this socialism happen? In his article in Neue Zeit, "Problems of Socialism," he only gives vague hints. You can find more details in his book.

Bernstein says that socialism will be achieved by using two tools: labour unions—what he calls economic democracy—and co-operatives. He believes that unions will stop industrial profit and co-operatives will end commercial profit.

Co-operatives, especially those that produce goods, are a mix of ideas within capitalism. They are small units of production that work inside the system of capitalist trade.

However, in a capitalist economy, the way things are exchanged is more important than how they are made. Because of competition, every business must let the interests of capital control production in a very harsh way. This control shows itself in several ways: workers are made to work harder; the work day may be lengthened or shortened depending on market needs; and, based on what the market requires, workers are either hired or let go. In short, businesses use all possible methods to survive against competitors. Workers who form a cooperative in production then face a hard choice: they must govern themselves very strictly. They are forced to act like capitalist managers. This contradiction is why production co-operatives often fail—they either turn into regular capitalist businesses or, if workers' interests win out, they eventually break up.

Bernstein himself has noticed these problems, but it is clear he does not truly understand them. For example, he and Mrs. Potter-Webb explain the failure of production co-operatives in England by saying they lack "discipline." But what they call "discipline" is just the strict, harsh way capitalism works—a way that workers cannot use against themselves.

Production co-operatives can only survive in a capitalist economy if they can find a way around the contradictions imposed by capitalism between making things and trading them. They can only do this by stepping away, even if only for a short time, from the rules of free competition. And they can only succeed if they secure a steady group of customers—a constant market.

The consumers' cooperative is the one that can help its partner in production. This is not the same as Oppenheimer's idea of separating cooperatives that make things from those that sell them. Instead, it is the key point Bernstein looks for: why do producers' cooperatives always fail when they work on their own, but survive when they have the backing of consumers' groups?

If producers' cooperatives can only exist when consumers' cooperatives also exist, then producers' cooperatives are, at best, limited to small local markets and to making things that people need right away, especially food. This means that both consumers' and producers' cooperatives are kept out of the big industries like textiles, mining, metals, oil, machine construction, train building, and shipbuilding. For this reason alone (even before we think about their mixed character), production cooperatives cannot be seen as a tool for a complete social change. To set up producers' cooperatives on a wide scale, the world market would have to be shut down and the global economy broken into small local areas. This would mean that our modern, advanced capitalism would have to go back to the small-scale merchant economy of the Middle Ages.

In today's society, producers' cooperatives only serve as small additions to consumers' cooperatives. It seems, then, that the change must begin with consumers' cooperatives. But in that case, the social reform expected by using cooperatives stops being a real challenge to capitalist production. Instead, it becomes a fight only against small and medium-sized business capital. In other words, it becomes an attack on just the twigs of the great capitalist tree.

Bernstein also believes that trade unions are a tool to fight against capitalism in production. However, we have already shown that trade unions cannot give workers full control over production. They cannot decide how big production should be or how technology should improve. This is the economic side of what Bernstein calls the "struggle of the rate of wages against the rate of profit." This struggle does not happen in an empty or abstract way; it happens within the clear limits set by the wage law. Trade unions do not break the wage law—they simply work within it.

According to Bernstein, trade unions are the ones who lead the real fight against high industrial profit in the overall movement to free the working class. He says that trade unions have the job of turning industrial profit rates into wage rates. But the fact is that trade unions are not very effective at launching an economic attack on profit. They are only organized efforts to defend workers' labor against the drive for profit. They show the resistance of the working class to the unfairness of the capitalist system.

Trade unions have two main jobs. First, they try to affect the labor market, which is where workers and jobs meet. However, this influence is often weakened because more people from the middle classes are joining the workforce. Second, trade unions work to improve workers' lives by trying to get them a larger share of society's wealth. Yet, as workers become more productive, the share of wealth they receive naturally gets smaller. Even a quick look at Rodbertus' "Explanation of the Social Question" shows this is true.

In short, the way capitalism works turns the work of trade unions into a never-ending struggle—much like the myth of Sisyphus pushing his boulder uphill again and again. But despite this hard work, trade unions do help workers get wages that match the labor market. Their efforts force the rules about wages to be followed and help slow down the negative effects of economic changes.

However, to turn trade unions into a tool that steadily lowers capitalist profits and raises wages, two big changes would need to happen. First, the process that turns more middle-class people into workers would have to stop. Second, the steady rise in workers' productivity would have to come to a halt. Both of these changes would mean going back to the way things were before capitalism.

Bernstein believes that neither co-operatives nor trade unions can change the way capitalism produces goods. He says that these groups only work to lower the profits of capitalists and make workers richer. By doing this, he gives up on fighting the capitalist way of production and instead focuses on fighting the way wealth is shared in capitalism. He often talks about socialism as a way to create a "fairer" way of distributing wealth.

It is clear that the unfair way wealth is shared in capitalism is what drives many people to join the socialist movement. When Social-Democracy fights for an economy run for everyone, it also aims for a fair sharing of wealth. But, as Marx pointed out, the way wealth is shared naturally comes from how things are produced. So Social-Democracy does not try to change wealth distribution while keeping capitalist production. Instead, it fights to end capitalist production altogether. In short, Social-Democracy wants to create a fair socialist system by ending capitalism, while Bernstein's plan is to fight only against the unfair sharing of wealth, hoping that this will slowly bring about socialism.

Democracy has been seen in many very different kinds of groups. It appeared in early groups where people shared everything, in ancient slave societies, and in the small town communities of the Middle Ages. In the same way, governments where one ruler has all the power or where rulers share power have been found in many different economies. When capitalism started, with people first making goods to sell, it used a system where many people had a say in the town communities of the Middle Ages. Later, when capitalism grew to include factories and mass production, it chose a system with one strong ruler. Finally, when the economy became fully industrial, France first set up a democratic republic in 1793, then had an absolute monarchy under

Napoleon I, later a nobles' monarchy during the Restoration period (1850-1830), followed by a bourgeois constitutional monarchy under Louis-Philippe, then again a democratic republic, then a government that fought against Napoleon III's rule, and finally, for the third time, the Republic was born.

In Germany, the only real sign of democracy is that everyone gets to vote. This was not something the middle-class liberals won by themselves. Instead, giving everyone the vote helped bring together many small states. This idea mattered only for the middle class, who were otherwise happy with a semi-feudal constitutional monarchy. In Russia, capitalism grew for a long time under a strict, one-person rule, and the middle class never showed any real desire to bring in democracy. In Austria, giving everyone the vote was mostly a way to try to save a weak and falling-apart monarchy. In Belgium, the workers won the right for everyone to vote mainly because the local military was weak and because of the country's special place in both geography and politics. Here we see a small bit of democracy that was won not by the middle class but against them.

The idea that democracy always wins—a belief held by both some revisionists and middle-class liberals—seems like a great law of human and modern history. But when we look more closely, it turns out that this idea is just an illusion. There is no fixed, overall link between the growth of capitalism and the spread of democracy. The way a country is governed comes from many political factors, both from inside the country and from outside. It can range from a system where one ruler has all the power to one where the people vote for their leaders.

So, we must give up the hope of making democracy a rule that always happens in history, even in modern society. Today, in middle-class society, we see political forces that, instead of making Bernstein's plan come true, have led the middle class to give up the democratic gains they had won.

Democratic institutions – and this is very important – have finished doing all they can to help develop bourgeois society. They were needed to join many small states into big modern ones like Germany and Italy, but now they are no longer needed. Economic growth has healed things inside.

The same is true for changing the whole government system from old feudal ways to capitalist ways. Even though this change always went along with the growth of democracy, it has now advanced so much that the parts of society that are only about democracy – like letting everyone vote and having a republic – can be removed without forcing the government, state money, or the military to go back to how they were before the March Revolution.

If liberalism is now completely useless to bourgeois society, it has also become a problem for capitalism in other ways. Two forces now completely control the politics of modern states: world politics and the labor movement. Both are just different parts of the current stage of capitalist development.

Because the world economy has grown and competition in the world market has become tougher and more common, militarism and the idea of having big navies have become powerful tools in world politics. They now play an important role both inside and outside the great states. If world politics and militarism are growing in this stage of capitalism, then bourgeois democracy must naturally decline.

In Germany, the era of building huge armies began in 1893, and the policy of world politics started with the taking of Kiao-Cheou. These actions came at a cost right away: the breakdown of liberalism and the weakening of the Centre Party, which moved from opposition to government. The Reichstag elections in 1907, held under the sign of German colonial policy, were also the final end of German liberalism.

If world politics push rich people to follow old ideas, the same happens at home because the working class is growing. Bernstein shows he sees this when he blames the social-democratic idea—which wants to take over everything, meaning the working class's push for socialism—for causing rich liberals to leave. He tells the working class to give up its socialist goal so that the very scared liberals might come out of hiding. By saying that stopping the socialist labor movement is needed to save rich people's democracy, he shows that this kind of democracy goes completely against the natural way society is changing. At the same time, he proves that the socialist movement comes from this same change in society.

But he also shows another thing. By saying that giving up the socialist goal is necessary to bring back rich people's democracy, he shows that the claim that rich people's democracy is a must for the socialist movement and for winning socialism is not right. Bernstein's argument goes in a circle—his conclusion just repeats what he started with.

The answer is quite simple. Since rich liberal ideas have died out from fear of the growing workers' movement and its true goal, we see that the workers' socialist movement is now the only support for something that is not really the aim of the socialist movement—democracy. We must say that democracy has no real support. We must also say that the socialist movement is not tied to rich people's democracy; instead, the future of democracy depends on the socialist movement. From this, we must understand that democracy does not have a better chance of surviving just because the socialist movement grows strong enough to fight against the bad effects of world politics and the rich people's turning away from democracy. Anyone who wants to make democracy stronger should try to make the socialist movement stronger, not weaker. If someone gives up fighting for socialism, they give up both the working class and democracy.

Part Two

Chapter VIII

Conquest of Political Power

The future of democracy, as we have seen, is connected to the future of the labor movement. But does democracy make a workers' revolution unnecessary or impossible? Does it mean workers no longer need to take control of political power?

Bernstein tries to answer this by carefully comparing the good and bad sides of social reform and social revolution, as if he were weighing spices in a store. He sees making new laws as the work of “intelligence” and revolution as the work of “emotion.” To him, reform is a slow way to make progress, while revolution is a fast way. He thinks making laws is an orderly force, while revolution is a sudden, uncontrolled force.

We have long known that small-minded reformers try to find “good” and “bad” sides in everything. They nibble at every idea a little bit. But history does not care about such small calculations. The neat little pile of "good sides" falls apart the moment history takes a sharp turn. In reality, both lawmaking and revolution happen because of deeper forces, not because people sit down and weigh their pros and cons.

In the history of capitalist society, making new laws helped the rising class grow stronger until it had enough power to take over, get rid of the old system, and create a new one. Bernstein, who strongly opposes the idea of workers taking political power and calls it violent nonsense, makes a big mistake. He calls this idea a mistake, even though it has always been the main force of human history. Ever since societies were divided into classes, where the struggle between them was the most important part of history, every rising class has had one goal: to take political power. This has always been the beginning and the end of every period in history. We can see this in the long fight between farmers and rich landowners in ancient Rome, in the battles between knights and church leaders in medieval times, and in the fight of artisans against nobles in medieval cities. In modern history, we see the same thing in the fight of the rich business owners against feudalism.

Making new laws and revolutions are not simply two different choices for progress, like picking between hot or cold sausages at a market. They are both important parts of how class society develops. They depend on each other, yet they

also stand against each other, just like the north and south poles or the rich and the working class.

Every legal system comes from a revolution. In the history of class struggle, revolutions create new political systems, while laws simply shape the political life of a society that already exists. Reform by itself has no independent power apart from revolution. In every historical period, reforms only happen in the direction set by the last revolution and continue only as long as that revolution's energy is still being felt. To put it more clearly, in every period, reforms can only happen within the social system created by the last revolution. This is the real heart of the issue.

It goes against history to say that working for reforms is just a slow revolution and that a revolution is just a bunch of small reforms. A big change in society and a change in laws are not different because one takes longer than the other, but because of what they really do. The secret to changing history by using political power is in turning small, simple changes into a whole new way of living—that is, in moving from one kind of society to another.

That is why people who say they support changing laws instead of taking over political power and starting a full revolution are not choosing a calmer or slower path to the same end—they are choosing a different end. Instead of fighting to build a new society, they fight only for small changes to the old one. If we follow the ideas of revisionism in politics, we end up with the same result as when we follow revisionism in economics. Our plan then becomes not to make true socialism, but to change capitalism; not to end the wage system, but to lessen its unfairness—that is, to stop the abuses of capitalism rather than to stop capitalism itself.

Does the way that law changes and revolutions work together apply only to old class struggles? Some might think that now, because the bourgeois legal system is so developed, moving society from one period to another is done by changing laws, and that the idea of the working class taking over the state is just an empty phrase, as Bernstein calls it.

The opposite is true. What makes bourgeois society different from older class societies—like those of ancient times and the Middle Ages—is exactly that the rule of one class does not depend on "acquired rights" but on real economic relationships. In other words, wage work is not a legal matter but a pure economic one. In our legal system, there is no law that shows one class ruling over another today. The few old laws that still show such class rule, like those about servants, are just leftovers from feudal society.

How can we end wage slavery by changing laws if wage slavery is not even written into the laws? Bernstein, who wants to end capitalism by changing laws, finds himself in the same situation as the Russian policeman Uspensky described: "Quickly I seized the rascal by the collar! But what do I see? The poor fellow has no collar!" And that is exactly Bernstein's problem.

“All previous societies were based on a fight between a ruling class and an oppressed class” (Communist Manifesto). In earlier parts of modern society, this fight showed up in clear legal rules and sometimes allowed new kinds of relationships to exist within the old system. “In the midst of serfdom, the serf raised himself to the rank of a member of the town community” (Communist Manifesto). How did that happen? It happened because many feudal privileges around the city were slowly removed. These privileges included forced work (corvée), the right to wear special clothes, the inheritance tax, the lord’s claim to the best cattle, a personal tax, forced marriage, and the right of succession, all of which together made up serfdom.

In the same way, the small middle class of the Middle Ages managed to raise itself, even though it was still under the strict control of feudal absolutism, to become a true bourgeoisie (Communist Manifesto). They did this by partly or completely loosening the group restrictions and by slowly changing the tax system and the army.

When we think about this in a general way rather than just from history, we can imagine that a legal change by reform could take society from feudal to bourgeois. But what do we see in real life? We see that legal reforms did not stop the middle class from taking political power. Instead, these changes helped prepare for and lead to that takeover. A complete change in society and government was needed to end slavery and completely get rid of feudalism.

But things are very different now. There is no law that makes the working class have to accept capitalism. Instead, poverty and not having the tools to produce things force the working class to accept it. No law in the world can give the working class the tools they need as long as they stay in a capitalist society, because it is economic changes—not laws—that have taken these tools away from the people who make things.

Also, the unfair treatment of workers in wage labor is not based on laws. How much workers are paid is not set by laws but by economic factors. Capitalist exploitation happens because work is treated like a product that makes more value than what it costs to keep the worker alive. In short, the basic ways that the rich control workers cannot be changed by making new laws in a capitalist society because these ways were not made by the rich in laws and do not follow legal rules. Bernstein seems to ignore this when he talks about “socialist reforms.” But he also hints at it when he writes, “the economic motive acts freely today, while formerly it was masked by all kinds of relations of domination by all sorts of ideology.”

One strange thing about capitalism is that the parts of a future society first show up not in a way that looks like socialism, but in a way that moves further away from socialism. Making things becomes more and more a social activity. But how does this social side of production show up in capitalism? It shows up in big companies, shareholding firms, and cartels, where the conflicts between rich and workers, the unfair treatment of workers, and the control over work become even stronger.

In the army, as capitalism grows, it first makes military service longer, then shorter, and eventually leads to a system that looks like a citizen militia. But all of this happens in a modern military system where the state controls the people and the differences between social classes are very clear.

In politics, as democracy grows in a good environment, all groups of people can take part in political life, creating a kind of "people's state." But this participation is still in the form of a parliament run by the rich, where the fights between classes and class control are still shown openly. Because capitalism works through these problems, it is necessary to take the true core of a socialist society out of its capitalist covering. That is why the working class must take over political power and completely end the capitalist system.

Bernstein says some other things too. He says that if making democracy stronger actually makes the fights between capitalists worse, then "Social-Democracy" should try very hard to stop new social reforms and the spread of democratic institutions so that its work does not become even harder. This would be a good idea if Social-Democracy liked the small-minded task of choosing only the good parts of history and ignoring the bad. But if that were the case, it should also try to stop capitalism altogether, because there is no doubt that capitalism is the troublemaker putting up all these barriers against socialism. Still, capitalism not only causes problems but also offers the only chances to make a true socialist plan come true. The same is true for democracy.

If the rich people now find democracy useless or annoying, it is very important and necessary for the working class. It is needed because democracy creates the political tools—like self-government and the right to vote—that the working class can use as strong supports in its task to change the old society. Democracy is essential for the working class because only by using its democratic rights and fighting for democracy can workers come to understand their own class interests and their important historical role.

In short, democracy is needed not because it makes the working class's taking of power unnecessary, but because it makes this taking of power both needed and possible. When Engels wrote the preface to Class Struggles in France and changed the plans for the modern labor movement by urging legal battles instead of fighting on the streets, he was not thinking about immediately taking over power. Every line of the preface shows that he was talking about the everyday struggle. He was not saying how workers should behave when they finally take power, but how they should act while still living under a capitalist government. Engels was giving advice to the workers who were being oppressed, not to workers who had already won.

Marx once said about the English farm question, "We shall probably succeed easier by buying the estates of the landlords." This does not mean what the working class should do before they win power but rather what they can do after they have won. Only when the workers are in charge can they think about buying the property of the

old ruling class. Marx meant that the working class should use its power peacefully, not simply swap one kind of rule for another set of capitalist laws. Marx and Engels were clear that the working class must take over political power. Bernstein, however, thinks that the ordinary parliament of the rich is the tool by which we can make the biggest change in history—the change from capitalism to socialism.

Bernstein starts his idea by warning the working class not to take power too soon. He says that the working class should let the rich society stay as it is and even suffer a terrible defeat. If the working class did take power too early, they might end up, according to Bernstein's advice, simply "going to sleep." This means his idea tells the workers to do nothing at the most important times, which is like betraying their own cause.

Our plan must be useful at every moment of the struggle. If our plan explains how society goes from capitalism to socialism, it must also describe every step along that road. It should clearly tell the working class what to do at every moment on the path to socialism. There must never be a time when the working class has to give up the plan or is left without it.

In real life, this means that when the working class comes to power by the force of events, they are always able and morally required to take actions that move society toward socialism. The idea that the socialist plan might suddenly fail at any moment during the working class rule hides another belief—that the socialist plan can never really work at any time.

What if these temporary steps toward socialism happen too soon? This question is based on a lot of wrong ideas about how big social changes really happen.

First, when the working class takes political power, it doesn't happen by accident or through some trick. It only happens when economic and political conditions have reached a certain level of development. There are rare cases, like the Paris Commune, where the working class didn't plan to take power but found it in their hands because everyone else had abandoned it. But normally, power isn't just handed over—it comes when society is ready for change.

This is the key difference between a small group trying to take over the government through sudden action, like Blanqui's idea of a quick and unexpected attack, and the working class winning power through a large and conscious movement. A small group might try to take control with a surprise move, like firing a pistol shot at the wrong time, but the working class can only take power when the old system is falling apart. When that happens, their rise to power is both natural and justified by the way society has changed.

First, it is impossible to imagine that a change as huge as the shift from capitalist society to socialist society can happen all at once in one happy act. To think that is to believe in ideas like those of Blanqui. The move to socialism requires a long and hard struggle, during which the working class will probably be pushed back more

than once. From the end result's point of view, this means they might have taken power "too early" at first.

Second, we cannot avoid the working class taking power "too early" because these early moves are a very important part of setting up the conditions for the final victory. During the political crisis that comes with taking power, and through a long and tough struggle, the working class will gain the political experience needed to win the revolution for good. In this way, these early attempts against state power are key historical events that help bring about the final win. Seen from this angle, the idea that the working class can take power too soon is a silly argument based on a simple view of society's change—one that assumes there is a fixed moment for winning the class struggle that exists outside the struggle itself.

Since the working class cannot take power any other way but "prematurely"—because they must take power one or more times before they can hold it for good—the objection to an early takeover is really just another way of opposing the working class's goal of controlling state power. Just as all roads lead to Rome, we must conclude that the revisionist proposal to lower the final aim of the socialist movement is really a suggestion to give up on the socialist movement altogether.

Part Two

Chapter IX

Collapse

Bernstein began changing Social-Democracy by giving up the idea that capitalism would collapse. That idea is the very foundation of scientific socialism. By rejecting it, Bernstein also rejects all of socialism. As he speaks, he lets go of one socialist idea after another so that he can keep his first belief.

Without capitalism falling apart, it is impossible to take away the wealth of the capitalist class. So, Bernstein gives up on taking their wealth and instead chooses a gradual move toward the “co-operative principle” as the goal of the labor movement.

But cooperation cannot happen without capitalist production. Because of this, Bernstein also gives up on making production social and only suggests reforming commerce and building consumers’ co-operatives.

However, changing society through consumers’ co-operatives—even with trade unions—is not in line with the real, material growth of capitalist society. For that reason, Bernstein abandons the idea of history based on material conditions.

Moreover, his view of how economic development moves forward does not match the Marxist idea of surplus-value. Therefore, Bernstein also gives up on the theory of value and surplus-value, and in doing so, he rejects the whole economic system of Karl Marx.

But the workers’ struggle cannot continue without a clear final goal and a solid economic base in the current society. So, Bernstein abandons the idea of class struggle and talks about making peace with bourgeois liberalism.

In a society with classes, class struggle happens naturally and cannot be avoided. Therefore, Bernstein even questions whether classes really exist. For him, the working class is just a group of individuals who are different politically, mentally, and economically. He also says that the bourgeoisie does not come together politically because of their own economic interests, but only because of pressure from outside.

If there is no economic foundation for class struggle and, as a result, there are no real classes in our society, then both the future and even the past fights of the workers against the rich seem impossible. Social-Democracy and its successes become

completely hard to understand, or they can only be explained as the result of government pressure—that is, not as the natural result of history but as the lucky outcomes of the Hohenzollern policy, not as the legitimate offspring of capitalist society but as the bastard children of reaction. In this very strict logical way, Bernstein moves from the idea of history based on material conditions to the view of newspapers like the Frankfurter Zeitung and the Vossische Zeitung.

After Bernstein stopped using socialist criticism of capitalism, he found that the way things were going was, in general, acceptable. He did not hesitate in his view. He noticed that, at that time, there was not much political reaction in Germany and that in western Europe we cannot really call it political reaction. In all the Western countries, the rich classes only defend themselves against the socialist movement rather than oppress it. Instead of getting worse, the workers' situation was improving. In fact, the rich were moving forward in politics and acted in a reasonable way. Everything seemed to be as good as it could be in the best of all possible worlds.

Bernstein then went step by step from beginning to end. He started by giving up the final goal of socialism while saying he would keep the movement. But because there can be no true socialist movement without a socialist goal, he ended up giving up the movement altogether.

In this way, Bernstein's idea of socialism fell apart completely. The neat and balanced structure of socialist thought turned into a pile of scraps in his view, where bits from all systems and ideas from many thinkers—big and small—ended up together. He took a little from Marx and Proudhon, from Leon von Buch and Franz Oppenheimer, from Friedrich Albert Lange and Kant, from Herr Prokopovich and R. Ritter von Neupauer, from Herkner and Schulze-Gävernitz, from Lassalle and Professor Julius Wolff. There was nothing surprising about that. When he abandoned scientific socialism, he lost the clear center that held all the separate facts together in a complete picture of the world.

At first, his teaching, made up of pieces from many systems, looked completely free from bias. Bernstein did not like talking about "party science" or "class science," and he did not like talking about class liberalism or class morality. He believed he was expressing a kind of human, general, abstract science, abstract liberalism, and abstract morality. But because real society is made of different classes with completely opposite interests, hopes, and ideas, this idea of a general human science about society, or abstract liberalism or morality, is just a dream—pure utopia. In reality, the science, democracy, and morality that Bernstein called general and human are only the dominant science, dominant democracy, and dominant morality—that is, the rich people's science, democracy, and morality.

When Bernstein gives up Marx's economic ideas and follows thinkers like Bretano, Böhm-Bawerk, Jevons, Say, and Julius Wolff instead, he swaps the solid, scientific reasons for freeing workers for ideas that support the rich. When he talks about liberalism as if it were for everyone and changes socialism into a kind of

liberalism, he takes away socialism's working-class focus and its true meaning. At the same time, he paints the rich—the group that stands for liberalism in history—as the heroes of all people.

When he fights against the idea of making money and things the most powerful forces in development, when he argues against what he calls a "disdain for ideals" that should guide Social-Democracy, and when he claims to speak for high ideals and morals while also opposing the real source of workers' moral renewal—the fight between classes—he is really doing this: he is telling the working class to adopt the rich people's way of being, to make peace with the way society is now, and to let go of their real hopes for change, leaving them with only empty ethical ideas.

When he launches strong attacks against our way of thinking—the system that helps workers understand and fight their oppression—he is really trying to break the mental tool that has helped the working class see that their hardships will not last forever and that they will eventually win. By saying goodbye to our dialectical system and instead using a back-and-forth style of thought—saying things like "on the one hand, on the other hand" and "yes, but"—he slips into the kind of thinking typical of rich people who are losing their power. This way of thinking is a clear sign that he sees the world the way the bourgeois do.

In Bernstein's writing, the word "bourgeois" is not just a label for one class; it becomes a general idea for society as a whole. In the end, he has swapped the language of the working class for the language of the rich—in his science, politics, morals, and way of thinking. When he uses the word "citizen" for both the rich and the workers, as if they were the same, he is saying that all people and all of society are like the rich.

Part Two

Chapter X

Opportunism and Theory in Practice

Bernstein's book is very important for the German and international workers' movement. It is the first try to give a theoretical base to the opportunist trends that are common in Social-Democracy.

These trends have been part of our movement for a long time if we think about events like the issue of giving money to support steamers. But it is only since about 1890, when the anti-Socialist laws were ended, that we have seen a clear trend of opportunism. Vollmar's "State Socialism," the vote on the Bavarian budget, the "agrarian socialism" in southern Germany, Heine's policy of compensation, and Schippel's views on tariffs and militarism are the high points in the growth of our opportunist practice.

What seems to be the main feature of this practice? A strong dislike for "theory." This is natural, because our "theory"—that is, the ideas of scientific socialism—sets clear limits on what can be done in practice. It tells us what goals to aim for, what means to use to reach those goals, and which methods to follow. It is natural for people who want quick, practical results to try to free themselves from these limits and to work without following our "theory."

But every time people try this in real life, it does not work. State socialism, agrarian socialism, the policy of compensation, and the issue of the army all turned out to be failures for our opportunism. It is clear that if this way of thinking is to continue, it must try to destroy the ideas of our theory and build a theory of its own. Bernstein's book is exactly an effort in that direction. That is why, in Stuttgart, all the opportunist members of our party quickly joined behind Bernstein's ideas. If the opportunist actions in our party come naturally from the special conditions of our work and its progress, then Bernstein's theory is just as natural an attempt to put these actions together into one general theory—a theory that breaks away from scientific socialism.

This is why the published version of Bernstein's ideas should be seen as a test for opportunism and as its first scientific approval.

What was the result of this test? We have seen the answer. Opportunism cannot build a strong, positive theory that can stand up to criticism. All it can do is to attack separate parts of Marxist theory and, because Marxist ideas form one solidly built system, hope to shake the whole system from the top to its very foundation.

This shows that opportunist actions cannot work with Marxism. It also proves that opportunism does not mix with socialism in general. Its very nature pushes the workers toward the ways of the rich and stops the workers' struggle in its tracks. History shows that the real fight of the workers did not really depend on Marxist ideas. Long before Marx, there were workers' movements and many socialist ideas. Each idea was made for its own time and for the fight of workers to be free.

The idea of building socialism on the basis of fairness and justice, on fighting unfair ways of sharing wealth instead of fighting the way things are made, on seeing class conflict as a fight between the poor and the rich, and on trying to add the idea of cooperation into a capitalist system—the very ideas that Bernstein talks about—already existed before him. Even though these ideas were not perfect, they worked well for the workers at that time. They were like magical boots that helped the workers learn to walk on the stage of history.

But as the struggle between classes grew and changed society, people abandoned those old ideas and developed the ideas of scientific socialism. After that, at least in Germany, there could be no real socialism outside of Marxist socialism, and the workers' struggle could only happen through Social-Democracy. From then on, socialism and Marxism, the workers' fight to be free, and Social-Democracy became one and the same. That is why going back to the old, pre-Marx ideas no longer means regaining the magical boots of the early workers, but only means returning to the weak, worn-out shoes of the rich.

Bernstein's theory was both the first and the last try to give a theoretical base to opportunism. It is the last try because, in his system, opportunism has gone as far as it can—first by rejecting scientific socialism and then by gathering every bit of confused theory possible. In his book, opportunism has reached its final conclusion, just as it finished its practical side when Schippel dealt with militarism.

Marxist ideas can not only argue against opportunism in theory; they alone can explain opportunism as something that happened in the history of the party. The march of the working class toward its final victory on a world scale is not, in fact, "so simple a thing." What is special about this movement is that, for the first time in history, the common people, fighting against the ruling classes, will force their way—but they must do it outside the limits of today's society, beyond the existing order. These new forces can only grow by constantly fighting against the current order.

Bringing together the large masses of people with a goal that reaches beyond today's society, and mixing the everyday struggle with a great world change, is the

task of the Social-Democratic movement. This movement must find its way between two dangers: either losing its mass support or giving up its final goal and falling into the trap of rich people's reforms, or into narrow-mindedness, anarchy, or opportunism.

More than fifty years ago, Marxist ideas gave us strong tools to fight against both extremes. But because our movement is made up of many people and the dangers we face come from real social conditions rather than just ideas, Marxist theory cannot promise us once and for all that we will never see anarchist or opportunist tendencies. We can only overcome these problems when we put theory into practice, using the tools that Marx provided.

Marx once wrote about two kinds of revolutions. He said that bourgeois revolutions, like those in the eighteenth century, move quickly from one success to another. They burst into life with dazzling displays and great excitement, but they do not last long. They soon reach their peak, and then society falls into a long period of nervous reaction until it learns how to enjoy the benefits of that brief period of excitement. In contrast, proletarian revolutions, like those in the nineteenth century, constantly review and criticize themselves. They stop and rethink their progress, reject weak or half-hearted efforts, and seem to defeat their enemies only to let them gather strength and rise again even stronger. They are always cautious before facing huge challenges until a moment comes when retreat is impossible and the situation shouts, "Here is the result! Now we must act!" And then we must celebrate our victory.

This idea remains true even after scientific socialism was developed. The workers' movement has not suddenly become social-democratic, even in Germany. But it is slowly becoming more social-democratic, gradually overcoming the extreme ideas of anarchism and opportunism. These extreme ideas are just steps in the process of Social-Democracy growing over time.

For these reasons, the surprising thing is not that opportunist ideas appear at all, but that they are so weak. When these ideas only appeared in a few isolated cases within the party, one might think they had a strong political base. But now that they clearly show up in Bernstein's book, we can only be shocked and say, "What? Is that all you have to offer?" There isn't even a trace of a new idea—nothing that hasn't already been completely refuted, crushed, and turned to dust by Marxism many years ago.

The fact that opportunism even speaks up shows that it really has nothing to say. In our party's history, that is the only thing that makes Bernstein's book important.

By saying goodbye to the way of thinking of the revolutionary working class—its dialectical method and its view of history based on material conditions—Bernstein can thank these ideas for giving him the chance to change his own thinking. Only dialectics and the materialist view of history, as great as they are, could make Bernstein seem like an unwitting tool that the rising working class used to show its temporary weakness. But when people look closer, they see that the working class quickly throws these ideas aside with contempt and pride.

Introduction

At first view the title of this work may be found surprising. Can the Social-Democracy be against reforms? Can we contrapose the social revolution, the transformation of the existing order, our final goal, to social reforms? Certainly not. The daily struggle for reforms, for the amelioration of the condition of the workers within the framework of the existing social order, and for democratic institutions, offers to the Social-Democracy the only means of engaging in the proletarian class war and working in the direction of the final goal – the conquest of political power and the suppression of wage labour. Between social reforms and revolution there exists for the Social Democracy an indissoluble tie. The struggle for reforms is its means; the social revolution, its aim.

It is in Eduard Bernstein's theory, presented in his articles on *Problems of Socialism*, Neue Zeit of 1897–98, and in his book Die Voraussetzungen des Socialismus und die Aufgaben der Sozialdemokratie[1] that we find, for the first time, the opposition of the two factors of the labour movement. His theory tends to counsel us to renounce the social transformation, the final goal of Social-Democracy and, inversely, to make of social reforms, the means of the class struggle, its aim. Bernstein himself has very clearly and characteristically

formulated this viewpoint when he wrote: “The Final goal, no matter what it is, is nothing; the movement is everything.”

But since the final goal of socialism constitutes the only decisive factor distinguishing the Social-Democratic movement from bourgeois democracy and from bourgeois radicalism, the only factor transforming the entire labour movement from a vain effort to repair the capitalist order into a class struggle against this order, for the suppression of this order – the question: “Reform or Revolution?” as it is posed by Bernstein, equals for the Social-Democracy the question: “To be or not to be?” In the controversy with Bernstein and his followers, everybody in the Party ought to understand clearly it is not a question of this or that method of struggle, or the use of this or that set of tactics, but of the very existence of the Social-Democratic movement.

Upon a casual consideration of Bernstein’s theory, this may appear like an exaggeration. Does he not continually mention the Social-Democracy and its aims? Does he not repeat again and again, in very explicit language, that he too strives toward the final goal of socialism, but in another way? Does he not stress particularly that he fully approves of the present practice of the Social-Democracy?

That is all true, to be sure. It is also true that every new movement, when it first elaborates its theory and policy, begins by finding support in the preceding movement, though it may be in direct contradiction with the latter. It begins by suiting itself to the forms found at hand and by speaking the language spoken hereto. In time the new grain breaks through the old husk. The new movement finds its forms and its own language.

To expect an opposition against scientific socialism at its very beginning, to express itself clearly, fully and to the last consequence on the subject of its real content: to expect it to deny openly and bluntly the theoretic basis of the Social-Democracy – would amount to underrating the power of scientific socialism. Today he who wants to pass as a socialist, and at the same time declare war on Marxian doctrine, the most stupendous product of the human mind in the century, must begin with involuntary esteem for Marx. He must begin by acknowledging himself to be his disciple, by seeking in Marx's own teachings the points of support for an attack on the latter, while he represents this attack as a further development of Marxian doctrine. On this account, we must, unconcerned by its outer forms, pick out the sheathed kernel of Bernstein's theory. This is a matter of urgent necessity for the broad layers of the industrial proletariat in our Party.

No coarser insult, no baser aspersion, can be thrown against the workers than the remarks: “Theocratic controversies are only for academicians.” Some time ago Lassalle said: “Only when science and the workers, these opposite poles of society, become one, will they crush in their arms of steel all obstacles to culture.” The entire strength of the modern labour movement rests on theoretic knowledge.

But doubly important is this knowledge for the workers in the present case, because it is precisely they and their influence in the movement that are in the balance here. It is their skin that is being brought to market. The opportunist theory in the Party, the theory formulated by Bernstein, is nothing else than an unconscious attempt to assure predominance to the petty-bourgeois elements that have entered our Party, to change the policy and aims of our Party in their direction. The question of reform or revolution, of the final goal and the movement, is basically, in another form, but the question of the petty-bourgeois or proletarian character of the labour movement.

It is, therefore, in the interest of the proletarian mass of the Party to become acquainted, actively and in detail, with the present theoretic controversy with opportunism. As long as theoretic knowledge remains the privilege of a handful of “academicians” in the Party, the latter will face the danger of going astray. Only when the great mass of workers take the keen and

dependable weapons of scientific socialism in their own hands, will all the petty-bourgeois inclinations, all the opportunistic currents, come to naught. The movement will then find itself on sure and firm ground. “Quantity will do it”

Part One

Chapter I

The Opportunist Method

If it is true that theories are only the images of the phenomena of the exterior world in the human consciousness, it must be added, concerning Eduard Bernstein's system, that theories are sometimes inverted images. Think of a theory of instituting socialism by means of social reforms in the face of the complete stagnation of the reform movement in Germany. Think of a theory of trade union control. Consider the theory of winning a majority in Parliament, after the revision of the constitution of Saxony and in view of the most recent attempts against universal suffrage. However, the pivotal point of Bernstein's system is not located in his conception of the practical tasks of the Social-Democracy. It is found in his stand on the course of the objective development of capitalist society, which, in turn is closely bound to his conception of the practical tasks of the Social-Democracy.

According to Bernstein, a general decline of capitalism seems to be increasingly improbable because, on the one hand, capitalism shows a greater capacity of adaptation, and, on the other hand, capitalist production becomes more and more varied.

The capacity of capitalism to adapt itself, says Bernstein, is manifested first in the disappearance of general crises, resulting from the development of the credit system, employers' organisations, wider means of communication and informational services. It shows itself secondly, in the tenacity of the middle classes, which hails from the growing differentiation of the branches of production and the elevation of vast layers of the proletariat to the level of the middle class. It is furthermore proved, argues Bernstein, by the amelioration of the economic and political situation of the proletariat as a result of its trade union activity.

From this theoretic stand is derived the following general conclusion about the practical work of the Social-Democracy. The latter must not direct its daily activity toward the conquest of political power, but toward the betterment of the condition of the working class, within the existing order. It must not expect to institute socialism as a result of a political and social crisis, but should build socialism by means of the progressive extension of social control and the gradual application of the principle of co-operation.

Bernstein himself sees nothing new in his theories. On the contrary, he believes them to be in agreement with certain declarations of Marx and Engels. Nevertheless, it seems to us that it is difficult to deny that they are in formal contradiction with the conceptions of scientific socialism.

If Bernstein's revisionism merely consisted in affirming that the march of capitalist development is slower than was thought before, he would merely be presenting an argument for adjourning the conquest of power by the proletariat, on which everybody agreed up to now. Its only consequence would be a slowing up of the pace of the struggle.

But that is not the case. What Bernstein questions is not the rapidity of the development of capitalist society, but the march of the development itself and, consequently, the very possibility of a change to socialism.

Socialist theory up to now declared that the point of departure for a transformation to socialism would be a general and catastrophic crisis. We must distinguish in this outlook two things: the fundamental idea and its exterior form.

The fundamental idea consists of the affirmation that capitalism, as a result of its own inner contradictions, moves toward a point when it will be unbalanced, when it will simply become impossible. There were good

reasons for conceiving that juncture in the form of a catastrophic general commercial crisis. But that is of secondary importance when the fundamental idea is considered.

The scientific basis of socialism rests, as is well known, on three principal results of capitalist development. First, on the growing anarchy of capitalist economy, leading inevitably to its ruin. Second, on the progressive socialisation of the process of production, which creates the germs of the future social order. And third, on the increased organisation and consciousness of the proletarian class, which constitutes the active factor in the coming revolution.

Bernstein pulls away from the first of the three fundamental supports of scientific socialism. He says that capitalist development does not lead to a general economic collapse.

He does not merely reject a certain form of the collapse. He rejects the very possibility of collapse. He says textually: “One could claim that by collapse of the present society is meant something else than a general commercial crisis, worse than all others, that is a complete collapse of the capitalist system brought about as a result of its own contradictions.” And to this he replies: “With the growing development of society a complete and almost general collapse of the present system of production becomes more and more

improbable, because capitalist development increases on the one hand the capacity of adaptation and, on the other – that is at the same time, the differentiation of industry." (Neue Zeit, 1897-98, vol.18, pg.555)

But then the question arises: Why and how, in that case, can we attain the final goal? According to scientific socialism, the historic necessity of the socialist revolution manifests itself above all in the growing anarchy of capitalism, which drives the system into an impasse. But if one admits with Bernstein that capitalist development does not move in the direction of its own ruin, then socialism ceases to be objectively necessary. There remain the other two mainstays of the scientific explanation of socialism, which are also said to be consequences of capitalism itself: the socialisation of the process of production and the growing consciousness of the proletariat. It is these two matters that Bernstein has in mind when he says: "The suppression of the theory of collapse does not in any way deprive socialist doctrine of the power of persuasion. For, examined closely, what are all factors enumerated by us that make for the suppression or the modification of the former crises? Nothing else, in fact, than the conditions, or even in party the germs, of the socialisation of production and exchange." (Ibid., pg.554)

Very little reflection is needed to understand that here too we face a false conclusion. Where lies the

importance of all the phenomena that are said by Bernstein to be the means of capitalist adaptation – cartels, the credit system, the development of means of communication, the amelioration of the situation of the working class, etc.? Obviously, in that they suppress or, at least, attenuate the internal contradictions of capitalist economy, and stop the development or the aggravation of these contradictions. Thus the suppression of crises can only mean the suppression of the antagonism between production and exchange on the capitalist base. The amelioration of the situation of the working class, or the penetration of certain fractions of the class into middle layers, can only mean the attenuation of the antagonism between Capital and Labour. But if the mention factors suppress the capitalist contradictions and consequently save the system from ruin, if they enable capitalism to maintain itself – and that is why Bernstein calls them “means of adaptation” – how can cartels, the credit system, trade unions, etc., be at the same time “the conditions and even, in part, the germs” of socialism? Obviously only in the sense that they express most clearly the social character of production.

But by presenting it in its capitalist form, the same factors render superfluous, inversely, in the same measure, the transformation of this socialised production into socialist production. That is why they can be the germs or conditions of a socialist order only

in a theoretic sense and not in an historic sense. They are phenomena which, in the light of our conception of socialism, we know to be related to socialism but which, in fact, not only do not lead to a socialist revolution but render it, on the contrary, superfluous.

There remains one force making for socialism – the class consciousness of the proletariat. But it, too, is in the given case no the simple intellectual reflection of the growing contradictions of capitalism and its approaching decline. It is now no more than an ideal whose force of persuasion rests only on the perfection attributed to it.

We have here, in brief, the explanation of the socialist programme by means of “pure reason.” We have here, to use simpler language, an idealist explanation of socialism. The objective necessity of socialism, the explanation of socialism as the result of the material development of society, falls to the ground.

Revisionist theory thus places itself in a dilemma. Either the socialist transformation is, as was admitted up to now, the consequence of the internal contradictions of capitalism, and with the growth of capitalism will develop its inner contradictions, resulting inevitably, at some point, in its collapse, (in that case the “means of adaptation” are ineffective and the theory of collapse is correct); or the “means of adaptation” will really stop the collapse of the capitalist

system and thereby enable capitalism to maintain itself by suppressing its own contradictions. In that case socialism ceases to be an historic necessity. It then becomes anything you want to call it, but it is no longer the result of the material development of society.

The dilemma leads to another. Either revisionism is correct in its position on the course of capitalist development, and therefore the socialist transformation of society is only a utopia, or socialism is not a utopia, and the theory of “means of adaptation” is false. There is the question in a nutshell.

Part One

Chapter II

The Adaptation of Capital

According to Bernstein, the credit system, the perfected means of communication and the new capitalist combines are the important factors that forward the adaptation of capitalist economy.

Credit has diverse applications in capitalism. Its two most important functions are to extend production and to facilitate exchange. When the inner tendency of capitalist production to extend boundlessly strikes against the restricted dimensions of private property, credit appears as a means of surmounting these limits in a particular capitalist manner. Credit, through shareholding, combines in one magnitude of capital a large number of individual capitals. It makes available to each capitalist the use of other capitalists' money – in the form of industrial credit. As commercial credit it accelerates the exchange of commodities and therefore

the return of capital into production, and thus aids the entire cycle of the process of production. The manner in which these two principle functions of credit influence the formation of crises is quite obvious. If it is true that crises appear as a result of the contradiction existing between the capacity of extension, the tendency of production to increase, and the restricted consumption capacity of the market, credit is precisely, in view of what was stated above, the specific means that makes this contradiction break out as often as possible. To begin with, it increases disproportionately the capacity of the extension of production and thus constitutes an inner motive force that is constantly pushing production to exceed the limits of the market. But credit strikes from two sides. After having (as a factor of the process of production) provoked overproduction, credit (as a factor of exchange) destroys, during the crisis, the very productive forces it itself created. At the first symptom of the crisis, credit melts away. It abandons exchange where it would still be found indispensable, and appearing instead, ineffective and useless, there where some exchange still continues, it reduces to a minimum the consumption capacity of the market.

Besides having these two principal results, credit also influences the formation of crises in the following ways. It constitutes the technical means of making available to an entrepreneur the capital of other owners. It stimulates at the same time the bold and unscrupulous

utilisation of the property of others. That is, it leads to speculation. Credit not only aggravates the crisis in its capacity as a dissembled means of exchange, it also helps to bring and extend the crisis by transforming all exchange into an extremely complex and artificial mechanism that, having a minimum of metallic money as a real base, is easily disarranged at the slightest occasion.

We see that credit, instead of being an instrument for the suppression or the attenuation of crises, is on the contrary a particularly mighty instrument for the formation of crises. It cannot be anything else. Credit eliminates the remaining rigidity of capitalist relationships. It introduces everywhere the greatest elasticity possible. It renders all capitalist forces extensible, relative and mutually sensitive to the highest degree. Doing this, it facilitates and aggravates crises, which are nothing more or less than the periodic collisions of the contradictory forces of capitalist economy.

That leads us to another question. Why does credit generally have the appearance of a “means of adaptation” of capitalism? No matter what the relation or form in which this “adaptation” is represented by certain people, it can obviously consist only of the power to suppress one of the several antagonistic relations of capitalist economy, that is, of the power to suppress or weaken one of these contradictions, and

allow liberty of movement, at one point or another, to the other fettered productive forces. In fact, it is precisely credit that aggravates these contradictions to the highest degree. It aggravates the antagonism between the mode of production and the mode of exchange by stretching production to the limit and at the same time paralysing exchange at the smallest pretext. It aggravates the antagonism between the mode of production and the mode of appropriation by separating production from ownership, that is, by transforming the capital employed in production into "social" capital and at the same time transforming a part of the profit, in the form of interest on capital, into a simple title of ownership. It aggravates the antagonism existing between the property relations (ownership) and the relations of production by putting into a small number of hands immense productive forces and expropriating large numbers of small capitalists. Lastly, it aggravates the antagonism existing between social character of production and private capitalist ownership by rendering necessary the intervention of the State in production.

In short, credit reproduces all the fundamental antagonisms of the capitalist world. It accentuates them. It precipitates their development and thus pushes the capitalist world forward to its own destruction. The prime act of capitalist adaptation, as far as credit is concerned, should really consist in

breaking and suppressing credit. In fact, credit is far from being a means of capitalist adaptation. It is, on the contrary, a means of destruction of the most extreme revolutionary significance. Has not this revolutionary character of credit actually inspired plans of “socialist” reform? As such, it has had some distinguished proponents, some of whom (Isaac Pereira in France), were, as Marx put it, half prophets, half rogues.

Just as fragile is the second “means of adaptation”: employers’ organisations. According to Bernstein, such organisations will put an end to anarchy of production and do away with crises through their regulation of production. The multiple repercussions of the development of cartels and trusts have not been considered too carefully up to now. But they predict a problem that can only be solved with the aid of Marxist theory.

One thing is certain. We could speak of a damming up of capitalist anarchy through the agency of capitalist combines only in the measure that cartels, trusts, etc., become, even approximately, the dominant form of production. But such a possibility is excluded by the very nature of cartels. The final economic aim and result of combines is the following. Through the suppression of competition in a given branch of production, the distribution of the mass of profit realised on the market is influenced in such a manner

that there is an increase of the share going to this branch of industry. Such organisation of the field can increase the rate of profit in one branch of industry at the expense of another. That is precisely why it cannot be generalised, for when it is extended to all important branches of industry, this tendency suppresses its own influence.

Furthermore, within the limits of their practical application the result of combines is the very opposite of suppression of industrial anarchy. Cartels ordinarily succeed in obtaining an increase of profit, in the home market, by producing at a lower rate of profit for the foreign market, thus utilising the supplementary portions of capital which they cannot utilise for domestic needs. That is to say, they sell abroad cheaper than at home. The result is the sharpening of competition abroad – the very opposite of what certain people want to find. That is well demonstrated by the history of the world sugar industry.

Generally speaking, combines treated as a manifestation of the capitalist mode of production, can only be considered a definite phase of capitalist development. Cartels are fundamentally nothing else than a means resorted to by the capitalist mode of production for the purpose of holding back the fatal fall of the rate of profit in certain branches of production. What method do cartels employ for this end? That of keeping inactive a part of the accumulated capital.

That is, they use the same method which in another form is employed in crises. The remedy and the illness resemble each other like two drops of water. Indeed the first can be considered the lesser evil only up to a certain point. When the outlets of disposal begin to shrink, and the world market has been extended to its limit and has become exhausted through the competition of the capitalist countries – and sooner or later that is bound to come – then the forced partial idleness of capital will reach such dimensions that the remedy will become transformed into a malady, and capital, already pretty much "socialised" through regulation, will tend to revert again to the form of individual capital. In the face of the increased difficulties of finding markets, each individual portion of capital will prefer to take its chances alone. At that time, the large regulating organisations will burst like soap bubbles and give way to aggravated competition.

In a general way, cartels, just like credit, appear therefore as a determined phase of capitalist development, which in the last analysis aggravates the anarchy of the capitalist world and expresses and ripens its internal contradictions. Cartels aggravate the antagonism existing between the mode of production and exchange by sharpening the struggle between the producer and consumer, as is the case especially in the United States. They aggravate, furthermore, the antagonism existing between the mode of production

and the mode of appropriation by opposing, in the most brutal fashion, to the working class the superior force of organised capital, and thus increasing the antagonism between Capital and Labour.

Finally, capitalist combinations aggravate the contradiction existing between the international character of capitalist world economy and the national character of the State – insofar as they are always accompanied by a general tariff war, which sharpens the differences among the capitalist States. We must add to this the decidedly revolutionary influence exercised by cartels on the concentration of production, technical progress, etc.

In other words, when evaluated from the angle of their final effect on capitalist economy, cartels and trusts fail as "means of adaptation." They fail to attenuate the contradictions of capitalism. On the contrary, they appear to be an instrument of greater anarchy. They encourage the further development of the internal contradictions of capitalism. They accelerate the coming of a general decline of capitalism.

But if the credit system, cartels, and the rest do not suppress the anarchy of capitalism, why have we not had a major commercial crisis for two decades, since 1873? Is this not a sign that, contrary to Marx's analysis the capitalist mode of production has adapted itself –

at least, in a general way – to the needs of society? Hardly had Bernstein rejected, in 1898, Marx's theory of crises, when a profound general crisis broke out in 1900, while seven years later, a new crisis beginning in the United States, hit the world market. Facts proved the theory of "adaptation" to be false. They showed at the same time that the people who abandoned Marx's theory of crisis only because no crisis occurred within a certain space of time merely confused the essence of this theory with one of its secondary exterior aspects – the ten-year cycle. The description of the cycle of modern capitalist industry as a ten-year period was to Marx and Engels, in 1860 and 1870, only a simple statement of facts. It was not based on a natural law but on a series of given historic circumstances that were connected with the rapidly spreading activity of young capitalism.

The crisis of 1825 was in effect, the result of extensive investment of capital in the construction of roads, canals, gas works, which took place during the preceding decade, particularly in England, where the crisis broke out. The following crisis of 1836-1839 was similarly the result of heavy investments in the construction of means of transportation. The crisis of 1847 was provoked by the feverish building of railroads in England (from 1844 to 1847, in three years, the British Parliament gave railway concessions to the value of 15 billion dollars). In each of the three mentioned cases, a

crisis came after new bases for capitalist development were established. In 1857, the same result was brought by the abrupt opening of new markets for European industry in America and Australia, after the discovery of the gold mines, and the extensive construction of railway lines, especially in France, where the example of England was then closely imitated. (From 1852 to 1856, new railway lines to the value of 1,250 million francs were built in France alone). And finally we have the great crisis of 1873 – a direct consequence of the firm boom of large industry in Germany and Austria, which followed the political events of 1866 and 1871.

So that up to now, the sudden extension of the domain of capitalist economy, and not its shrinking, was each time the cause of the commercial crisis. That the international crisis repeated themselves precisely every ten years was a purely exterior fact, a matter of chance. The Marxist formula for crises as presented by Engels in Anti-Dühring and by Marx in the first and third volumes of Capital, applies to all crises only in the measure that it uncovers their international mechanism and their general basic causes.

Crises may repeat themselves every five or ten years, or even every eight or twenty years. But what proves best the falseness of Bernstein's theory is that it is in the countries having the greatest development of the famous "means of adaptation" – credit, perfected

communications and trusts – that the last crisis (1907-1908) was most violent.

The belief that capitalist production could “adapt” itself to exchange presupposes one of two things: either the world market can spread unlimitedly, or on the contrary the development of the productive forces is so fettered that it cannot pass beyond the bounds of the market. The first hypothesis constitutes a material impossibility. The second is rendered just as impossible by the constant technical progress that daily creates new productive forces in all branches.

There remains still another phenomenon which, says Bernstein, contradicts the course of capitalist development as it is indicated above. In the “steadfast phalanx” of middle-size enterprises, Bernstein sees a sign that the development of large industry does not move in a revolutionary direction, and is not as effective from the angle of the concentration of industry as was expected by the “theory” of collapse. He is here, however, the victim of his own lack of understanding. For to see the progressive disappearance of large industry is to misunderstand sadly the nature of this process.

According to Marxist theory, small capitalists play in the general course of capitalist development the role of pioneers of technical change. They possess that role in a double sense. They initiate new methods of

production in well-established branches of industry; they are instrumental in the creation of new branches of production not yet exploited by the big capitalist. It is false to imagine that the history of the middle-size capitalist establishments proceeds rectilinearly in the direction of their progressive disappearance. The course of this development is on the contrary purely dialectical and moves constantly among contradictions. The middle capitalist layers find themselves, just like the workers, under the influence of two antagonistic tendencies, one ascendant, the other descendant. In this case, the descendent tendency is the continued rise of the scale of production, which overflows periodically the dimensions of the average size parcels of capital and removes them repeatedly from the terrain of world competition.

The ascendant tendency is, first, the periodic depreciation of the existing capital, which lowers again, for a certain time, the scale of production in proportion to the value of the necessary minimum amount of capital. It is represented, besides, by the penetration of capitalist production into new spheres. The struggle of the average size enterprise against big Capital cannot be considered a regularly proceeding battle in which the troops of the weaker party continue to melt away directly and quantitatively. It should be rather regarded as a periodic mowing down of the small enterprises, which rapidly grow up again, only to be mowed down

once more by large industry. The two tendencies play ball with the middle capitalist layers. The descending tendency must win in the end.

The very opposite is true about the development of the working class. The victory of the descending tendency must not necessarily show itself in an absolute numerical diminution of the middle-size enterprises. It must show itself, first in the progressive increase of the minimum amount of capital necessary for the functioning of the enterprises in the old branches of production; second in the constant diminution of the interval of time during which the small capitalists conserve the opportunity to exploit the new branches of production. The result as far as the small capitalist is concerned, is a progressively shorter duration of his stay in the new industry and a progressively more rapid change in the methods of production as a field for investment. For the average capitalist strata, taken as a whole, there is a process of more and more rapid social assimilation and dissimilation.

Bernstein knows this perfectly well. He himself comments on this. But what he seems to forget is that this very thing is the law of the movement of the average capitalist enterprise. If one admits that small capitalists are pioneers of technical progress, and if it true that the latter is the vital pulse of the capitalist economy, then it is manifest that small capitalists are

an integral part of capitalist development, which can only disappear together with it [capitalist development]. The progressive disappearance of the middle-size enterprise – in the absolute sense considered by Bernstein – means not, as he thinks, the revolutionary course of capitalist development, but precisely the contrary, the cessation, the slowing up of development. “The rate of profit, that is to say, the relative increase of capital,” said Marx, “is important first of all for new investors of capital, grouping themselves independently. And as soon as the formation of capital falls exclusively into a handful of big capitalists, the revivifying fire of production is extinguished. It dies away.”

Part One

Chapter III

The Realisation of Socialism

through Social Reforms

Bernstein rejects the “theory of collapse” as an historic road toward socialism. Now what is the way to a socialist society that is proposed by his “theory of adaptation to capitalism”? Bernstein answers this question only by allusion. Konrad Schmidt, however, attempts to deal with this detail in the manner of Bernstein. According to him, “the trade union struggle for hours and wages and the political struggle for reforms will lead to a progressively more extensive control over the conditions of production,” and “as the rights of the capitalist proprietor will be diminished through legislation, he will be reduced in time to the role of a simple administrator.” “The capitalist will see his property lose more and more value to himself” till

finally “the direction and administration of exploitation will be taken from him entirely” and “collective exploitation” instituted.

Therefore trade unions, social reforms and, adds Bernstein, the political democratisation of the State are the means of the progressive realisation of socialism.

But the fact is that the principal function of trade unions (and this was best explained by Bernstein himself in Neue Zeit in 1891) consists in providing the workers with a means of realising the capitalist law of wages, that is to say, the sale of their labour power at current market prices. Trade unions enable the proletariat to utilise at each instant, the conjuncture of the market. But these conjunctures – (1) the labour demand determined by the state of production, (2) the labour supply created by the proletarianisation of the middle strata of society and the natural reproduction of the working classes, and (3) the momentary degree of productivity of labour – these remain outside of the sphere of influence of the trade unions. Trade unions cannot suppress the law of wages. Under the most favourable circumstances, the best they can do is to impose on capitalist exploitation the “normal” limit of the moment. They have not, however, the power to suppress exploitation itself, not even gradually.

Schmidt, it is true, sees the present trade union movement in a “feeble initial stage.” He hopes that “in

the future" the "trade union movement will exercise a progressively increased influence over the regulation of production." But by the regulation of production we can only understand two things: intervention in the technical domain of the process of production and fixing the scale of production itself. What is the nature of the influence exercised by trade unions in these two departments? It is clear that in the technique of production, the interest of the capitalist agrees, up to a certain point, with the progress and development of capitalist economy. It is his own interest that pushes him to make technical improvements. But the isolated worker finds himself in a decidedly different position. Each technical transformation contradicts his interests. It aggravates his helpless situation by depreciating the value of his labour power and rendering his work more intense, more monotonous and more difficult.

Insofar as trade unions can intervene in the technical department of production, they can only oppose technical innovation. But here they do not act in the interest of the entire working class and its emancipation, which accords rather with technical progress and, therefore, with the interest of the isolated capitalist. They act here in a reactionary direction. And in fact, we find efforts on the part of workers to intervene in the technical part of production not in the future, where Schmidt looks for it, but in the past of the trade union movement. Such efforts characterised the

old phase of English trade unionism (up to 1860), when the British organisations were still tied to medieval “corporative” vestiges and found inspiration in the outworn principle of “a fair day’s wage for a fair day’s labour,” as expressed by Webb in his History of Trade Unionism.

On the other hand, the effort of the labour unions to fix the scale of production and the prices of commodities is a recent phenomenon. Only recently have we witnessed such attempts – and again in England. In their nature and tendencies, these efforts resemble those dealt with above. What does the active participation of trade unions in fixing the scale and cost of production amount to? It amounts to a cartel of the workers and entrepreneurs in a common stand against the consumer and especially rival entrepreneurs. In no way is the effect of this any different from that of ordinary employers’ associations. Basically we no longer have here a struggle between Labour and Capital, but the solidarity of Capital and Labour against the total consumers. Considered for its social worth, it is seen to be a reactionary move that cannot be a stage in the struggle for the emancipation of the proletariat, because it connotes the very opposite of the class struggle. Considered from the angle of practical application, it is found to be a utopia which, as shown by a rapid examination, cannot be extended

to the large branches of industry producing for the world market.

So that the scope of trade unions is limited essentially to a struggle for an increase of wages and the reduction of labour time, that is to say, to efforts at regulating capitalist exploitation as they are made necessary by the momentary situation of the old world market. But labour unions can in no way influence the process of production itself. Moreover, trade union development moves – contrary to what is asserted by Konrad Schmidt – in the direction of a complete detachment of the labour market from any immediate relation to the rest of the market.

That is shown by the fact that even attempts to relate labour contracts to the general situation of production by means of a system of sliding wage scales have been outmoded with historic development. The British labour unions are moving farther and farther away from such efforts.

Even within the effective boundaries of its activity the trade union movement cannot spread in the unlimited way claimed for it by the theory of adaptation. On the contrary, if we examine the large factors of social development, we see that we are not moving toward an epoch marked by a victorious development of trade unions, but rather toward a time when the hardships of labour unions will increase. Once

industrial development has attained its highest possible pint and capitalism has entered its descending phase on the world market, the trade union struggle will become doubly difficult. In the first place, the objective conjuncture of the market will be less favourable to the sellers of labour power, because the demand for labour power will increase at a slower rate and labour supply more rapidly than at present. In the second place, the capitalists themselves, in order to make up for losses suffered on the world market, will make even greater efforts than at present to reduce the part of the total product going to the workers (in the form of wages). The reduction of wages is, as pointed out by Marx, one of the principal means of retarding the fall of profit. The situation in England already offers us a picture of the beginning of the second stage of trade union development. Trade union action is reduced of necessity to the simple defence of already realised gains, and even that is becoming more and more difficult. Such is the general trend of things in our society. The counterpart of this tendency should be the development of the political side of the class struggle.

Konrad Schmidt commits the same error of historic perspective when he deals with social reforms. He expects that social reforms, like trade union organisations, will “dictate to the capitalists the only conditions under which they will be able to employ labour power.” Seeing reform in this light, Bernstein

calls labour legislation a piece of “social control,” and as such, a piece of socialism. Similarly, Konrad Schmidt always uses the term “social control” when he refers to labour protection laws. Once he has thus happily transformed the State into society, he confidently adds: “That is to say, the rising working class.” As a result of this trick of substitution, the innocent labour laws enacted by the German Federal Council are transformed into transitory socialist measures supposedly enacted by the German proletariat.

The mystification is obvious. We know that the present State is not “society” representing the “rising working class.” It is itself the representative of capitalist society. It is a class state. Therefore its reform measures are not an application of “social control,” that is, the control of society working freely in its own labour process. They are forms of control applied by the class organisation of Capital to the production of Capital. The so-called social reforms are enacted in the interests of Capital. Yes, Bernstein and Konrad Schmidt see at present only “feeble beginnings” of this control. They hope to see a long succession of reforms in the future, all favouring the working class. But here they commit a mistake similar to their belief in the unlimited development of the trade union movement.

A basic condition for the theory of the gradual realisation of socialism through social reforms is a certain objective development of capitalist property

and of the State. Konrad Schmidt says that the capitalist proprietor tends to lose his special rights with historic development, and is reduced to the role of a simple administrator. He thinks that the expropriation of the means of production cannot possibly be effected as a single historic act. He therefore resorts to the theory of expropriation by stages. With this in mind, he divides the right to property into (1) the right of "sovereignty" (ownership) – which he attributes to a thing called "society" and which he wants to extend – and (2) its opposite, the simple right of use, held by the capitalist, but which is supposedly being reduced in the hands of the capitalists to the mere administration of their enterprises.

This interpretation is either a simple play on words, and in that case the theory of gradual expropriation has no real basis, or it is a true picture of judicial development, in which case, as we shall see, the theory of gradual expropriation is entirely false.

The division of the right of property into several component rights, an arrangement serving Konrad Schmidt as a shelter wherein he may construct his theory of "expropriation by stages," characterised feudal society, founded on natural economy. In feudalism, the total product was shared among the social classes of the time on the basis of the personal relations existing between the feudal lord and his serfs or tenants. The decomposition of property into several

partial rights reflected the manner of distribution of the social wealth of that period. With the passage to the production of commodities and the dissolution of all personal bonds among the participants in the process of production, the relation between men and things (that is to say, private property) became reciprocally stronger. Since the division is no longer made on the basis of personal relations but through exchange, the different rights to a share in the social wealth are no longer measured as fragments of property rights having a common interest. They are measured according to the values brought by each on the market.

The first change introduced into juridical relations with the advance of commodity production in the medieval city communes, was the development of absolute private property. The latter appeared in the very midst of the feudal juridical relations. This development has progressed at a rapid pace in capitalist production. The more the process of production is socialised, the more the process of distribution (division of wealth) rests on exchange. And the more private property becomes inviolable and closed, the more capitalist property becomes transformed from the right to the product of one's own labour to the simple right to appropriate somebody else's labour. As long as the capitalist himself manages his own factory, distribution is still, up to a certain point, tied to his personal participation in the process of

production. But as the personal management on the part of the capitalist becomes superfluous – which is the case in the share-holding societies today – the property of capital, so far as its right to share in the distribution (division of wealth) is concerned, becomes separated from any personal relation with production. It now appears in its purest form. The capitalist right to property reaches its most complete development in capital held in the shape of shares and industrial credit.

So that Konrad Schmidt's historic schema, tracing the transformation of the capitalist "from a proprietor to a simple administrator," belies the real historic development. In historic reality, on the contrary, the capitalist tends to change from a proprietor and administrator to a simple proprietor. What happens here to Konrad Schmidt, happened to Goethe:

What is, he sees as in a dream.
What no longer is, becomes for him
reality.

Just as Schmidt's historic schema travels, economically, backwards from a modern share-holding society to an artisan's shop, so, juridically, he wishes to lead back the capitalist world into the old feudal shell of the Middle Ages.

Also from this point of view, “social control” appears in reality under a different aspect than seen by Konrad Schmidt. What functions today as “social control” – labour legislation, the control of industrial organisations through share holding, etc. – has absolutely nothing to do with his “supreme ownership.” Far from being, as Schmidt believes, a reduction of capitalist ownership, his “social control,” is, on the contrary, a protection of such ownership. Or, expressed from the economic viewpoint, it is not a threat to capitalist exploitation, but simply the regulation of exploitation. When Bernstein asks if there is more or less of socialism in a labour protective law, we can assure him that, in the best of labour protective laws, there is no more “socialism” than in a municipal ordinance regulating the cleaning of streets or the lighting of street lamps.

Part One

Chapter IV

Capitalism and the State

The second condition of the gradual realisation of socialism is according to Bernstein, the evolution of the State in society. It has become a commonplace to say that the present State is a class State. This, too, like referring to capitalist society, should not be understood in a rigorous absolute manner, but dialectically.

The State became capitalist with the political victory of the bourgeoisie. Capitalist development modifies essentially the nature of the State, widening its sphere of action, constantly imposing on it new functions (especially those affecting economic life), making more and more necessary its intervention and control in society. In this sense, capitalist development prepares little by little the future fusion of the State to society. It prepares, so to say, the return of the function of the state to society. Following this line of thought, one can speak of an evolution of the capitalist State into

society, and it is undoubtedly what Marx had in mind when he referred to labour legislation as the first conscious intervention of “society” in the vital social process, a phrase upon which Bernstein leans heavily.

But on the other hand the same capitalist development realises another transformation in the nature of the State. The present State is, first of all, an organisation of the ruling class. It assumes functions favouring social developments specifically because, and in the measure that, these interests and social developments coincide, in a general fashion, with the interests of the dominant class. Labour legislation is enacted as much in the immediate interest of the capitalist class as in the interest of society in general. But this harmony endures only up to a certain point of capitalist development. When capitalist development has reached a certain level, the interests of the bourgeoisie, as a class, and the needs of economic progress begin to clash even in the capitalist sense. We believe that this phase has already begun. It shows itself in two extremely important phenomena of contemporary social life: on the one hand, the policy of tariff barriers, and on the other, militarism. These two phenomena have played an indispensable, and in that sense a progressive and revolutionary role in the history of capitalism. Without tariff protection the development of large industry would have been impossible in several countries. But now the situation is different.

At present, protection does not serve so much to develop young industry as to maintain artificially certain aged forms of production.

From the angle of capitalist development, that is, from the point of view of world economy, it matters little whether Germany exports more merchandise into England or England exports more merchandise into Germany. From the viewpoint of this development it may be said that the blackamoor has done his work and it is time for him to go his way. Given the condition of reciprocal dependence in which the various branches of industry find themselves, a protectionist tariff on any commodity necessarily results in raising the cost of production of other commodities inside the country. It therefore impedes industrial development. But this is not so from the viewpoint of the interests of the capitalist class. While industry does not need tariff barriers for its development, the entrepreneurs need tariffs to protect their markets. This signifies that at present tariffs no longer serve as a means of protecting a developing capitalist section against a more advanced section. They are now the arm used by one national group of capitalists against another group. Furthermore, tariffs are no longer necessary as an instrument of protection for industry in its movement to create and conquer the home market. They are now indispensable means for the cartelisation of industry, that is, means used in the struggle of capitalist

producers against consuming society in the aggregate. What brings out in an emphatic manner the specific character of contemporary customs policies is the fact that today not industry, but agriculture plays the predominant role in the making of tariffs. The policy of customs protection has become a tool for converting and expressing the feudal interests in capitalist form.

The same change has taken place in militarism. If we consider history as it was – not as it could have been or should have been – we must agree that war has been an indispensable feature of capitalist development. The United States, Germany, Italy, the Balkan States, Poland, all owe the condition or the rise of their capitalist development to wars, whether resulting in victory or defeat. As long as there were countries marked by internal political division or economic isolation which had to be destroyed, militarism played a revolutionary role, considered from the viewpoint of capitalism. But at present the situation is different. If world politics have become the stage of menacing conflicts, it is not so much a question of the opening of new countries to capitalism. It is a question of already existing *European* antagonisms, which, transported into other lands, have exploded there. The armed opponents we see today in Europe and on other continents do not range themselves as capitalist countries on one side and backward countries on the other. They are States pushed to war especially as a result of their similarly

advanced capitalist development. In view of this, an explosion is certain to be fatal to this development, in the sense that it must provoke an extremely profound disturbance and transformation of economic life in all countries.

However, the matter appears entirely different when considered from the standpoint of the *capitalist class*. For the latter militarism has become indispensable. First, as a means of struggle for the defence of "national" interests in competition against other "national" groups. Second, as a method of placement for financial and industrial capital. Third, as an instrument of class domination over the labouring population inside the country. In themselves, these interests have nothing in common with the development of the capitalist mode of production. What demonstrates best the specific character of present day militarism is the fact that it develops generally in all countries as an effect, so to speak, of its own internal, mechanical, motive power, a phenomenon that was completely unknown several decades ago. We recognise this in the fatal character of the impending explosion which is inevitable in spite of the complete impending explosion which is inevitable in spite of the complete indecisiveness of the objectives and motives of the conflict. From a motor of capitalist development militarism has changed into a capitalist malady.

In the clash between capitalist development and the interest of the dominant class, the State takes a position alongside of the latter. Its policy, like that of the bourgeoisie, comes into conflict with social development. It thus loses more and more of its character as a representative of the whole of society and is transformed, at the same rate into a pure *class* state. Or, to speak more exactly, these two qualities distinguish themselves more from each other and find themselves in a contradictory relation in the very nature of the State. This contradiction becomes progressively sharper. For on one hand, we have the growth of the functions of a general interest on the part of the State, its intervention in social life, its "control" over society. But on the other hand, its class character obliges the State to move the pivot of its activity and its means of coercion more and more into domains which are useful only to the class character of the bourgeoisie and have for society as a whole only a negative importance, as in the case of militarism and tariff and colonial policies. Moreover, the "social control" exercised by this State is at the same time penetrated with and dominated by its class character (see how labour legislation is applied in all countries).

The extension of democracy, which Bernstein sees as a means of realising socialism by degrees, does not contradict but, on the contrary, corresponds perfectly

to the transformation realised in the nature of the State.

Konrad Schmidt declares that the conquest of a social-democratic majority in Parliament leads directly to the gradual “socialisation” of society. Now, the democratic forms of political life are without a question a phenomenon expressing clearly the evolution of the State in society. They constitute, to that extent, a move toward a socialist transformation. But the conflict within the capitalist State, described above, manifests itself even more emphatically in modern parliamentarism. Indeed, in accordance with its form, parliamentarism serves to express, within the organisation of the State, the interests of the whole society. But what parliamentarism expresses here is capitalist society, that is to say, a society in which capitalist interests predominate. In this society, the representative institutions, democratic in form, are in content the instruments of the interests of the ruling class. This manifests itself in a tangible fashion in the fact that as soon as democracy shows the tendency to negate its class character and become transformed into an instrument of the real interests of the population, the democratic forms are sacrificed by the bourgeoisie, and by its State representatives. That is why the idea of the conquest of a parliamentary reformist majority is a calculation which, entirely in the spirit of bourgeois liberalism, pre-occupies itself only

with one side – the formal side – of democracy, but does not take into account the other side, its real content. All in all, parliamentarism is not a directly socialist element impregnating gradually the whole capitalist society. It is, on the contrary, a specific form of the bourgeois class State, helping to ripen and develop the existing antagonisms of capitalism.

In the light of the history of the objective development of the State, Bernstein's and Konrad Schmidt's belief that increased "social control" results in the direct introduction of socialism is transformed into a formula that finds itself from day to day in greater contradiction with reality.

The theory of the gradual introduction of socialism proposes progressive reform of capitalist property and the capitalist State in the direction of socialism. But in consequence of the objective laws of existing society, one and the other develop in a precisely opposite direction. The process of production is increasingly socialised, and State intervention, the control of the State over the process of production, is extended. But at the same time, private property becomes more and more the form of open capitalist exploitation of the labour of others, and State control is penetrated with the exclusive interests of the ruling class. The State, that is to say the *political* organisation of capitalism, and the property relations, that is to say the *juridical* organisation of capitalism, become more *capitalist* and

not more socialist, opposing to the theory of the progressive introduction of socialism two insurmountable difficulties.

Fourier's scheme of changing, by means of a system of phalansteries, the water of all the seas into tasty lemonade was surely a fantastic idea. But Bernstein, proposing to change the sea of capitalist bitterness into a sea of socialist sweetness, by progressively pouring into it bottles of social reformist lemonade, presents an idea that is merely more insipid but no less fantastic.

The production relations of capitalist society approach more and more the production relations of socialist society. But on the other hand, its political and juridical relations established between capitalist society and socialist society a steadily rising wall. This wall is not overthrown, but is on the contrary strengthened and consolidated by the development of social reforms and the course of democracy. Only the hammer blow of revolution, that is to day, *the conquest of political power by the proletariat can break down this wall.*

Part One

Chapter V

The Consequences of Social Reformism

and General Nature of Reformism

In the first chapter we aimed to show that Bernstein's theory lifted the program of the socialist movement off its material base and tried to place it on an idealist base. How does this theory fare when translated into practice?

Upon the first comparison, the party practice resulting from Bernstein's theory does not seem to differ from the practice followed by the Social Democracy up to now. Formerly, the activity of the Social-Democratic Party consisted of trade union work, of agitation for social reforms and the democratisation

of existing political institutions. The difference is not in the *what,* but in the *how.*

At present, the trade union struggle and parliamentary practice are considered to be the means of guiding and educating the proletariat in preparation for the task of taking over power. From the revisionist standpoint, this conquest of power is at the same time impossible or useless. And therefore, trade union and parliamentary activity are to be carried on by the party only for their immediate results, that is, for the purpose of bettering the present situation of the workers, for the gradual reduction of capitalist exploitation, for the extension of social control.

So that if we don not consider momentarily the immediate amelioration of the workers' condition – an objective common to our party program as well as to revisionism – the difference between the two outlooks is, in brief, the following. According to the present conception of the party, trade-union and parliamentary activity are important for the socialist movement because such activity prepares the proletariat, that is to say, creates the *subjective* factor of the socialist transformation, for the task of realising socialism. But according to Bernstein, trade-unions and parliamentary activity gradually reduce capitalist exploitation itself. They remove from capitalist society its capitalist character. They realise *objectively* the desired social change.

Examining the matter closely, we see that the two conceptions are diametrically opposed. Viewing the situation from the current standpoint of our party, we say that as a result of its trade union and parliamentary struggles, the proletariat becomes convinced, of the impossibility of accomplishing a fundamental social change through such activity and arrives at the understanding that the conquest of power is unavoidable. Bernstein's theory, however, begins by declaring that this conquest is impossible. It concludes by affirming that socialism can only be introduced as a result of the trade-union struggle and parliamentary activity. For as seen by Bernstein, trade union and parliamentary action has a socialist character because it exercises a progressively socialising influence on capitalist economy.

We tried to show that this influence is purely imaginary. The relations between capitalist property and the capitalist State develop in entirely opposite directions, so that the daily practical activity of the present Social Democracy loses, in the last analysis, all connection with work for socialism. From the viewpoint of a movement for socialism, the trade-union struggle and our parliamentary practice are vastly important in so far as they make socialistic the *awareness*, the consciousness, of the proletariat and help to organise it as a class. But once they are considered as instruments of the direct socialisation of capitalist economy, they

lose out not only their usual effectiveness but also cease being means of preparing the working class for the conquest of power. Eduard Bernstein and Konrad Schmidt suffer from a complete misunderstanding when they console themselves with the belief that even though the program of the party is reduced to work for social reforms and ordinary trade-union work, the final objective of the labour movement is not thereby discarded, for each forward step reaches beyond the given immediate aim and the socialist goal is implied as a tendency in the supposed advance.

That is certainly true about the present procedure of the German Social Democracy. It is true whenever a firm and conscious effort for conquest of political power impregnates the trade-union struggle and the work for social reforms. But if this effort is separated from the movement itself and social reforms are made an end in themselves, then such activity not only does not lead to the final goal of socialism but moves in a precisely opposite direction.

Konrad Schmidt simply falls back on the idea that an apparently mechanical movement, once started, cannot stop by itself, because “one’s appetite grows with the eating,” and the working class will not supposedly content itself with reforms till the final socialist transformation is realised.

Now the last mentioned condition is quite real. Its effectiveness is guaranteed by the very insufficiency of capitalist reforms. But the conclusion drawn from it could only be true if it were possible to construct an unbroken chain of augmented reforms leading from the capitalism of today to socialism. This is, of course, sheer fantasy. In accordance with the nature of things as they are the chain breaks quickly, and the paths that the supposed forward movement can take from the point on are many and varied.

What will be the immediate result should our party change its general procedure to suit a viewpoint that wants to emphasise the practical results of our struggle, that is social reforms? As soon as “immediate results” become the principal aim of our activity, the clear-cut, irreconcilable point of view, which has meaning only in so far as it proposes to win power, will be found more and more inconvenient. The direct consequence of this will be the adoption by the party of a “policy of compensation,” a policy of political trading, and an attitude of diffident, diplomatic conciliation. But this attitude cannot be continued for a long time. Since the social reforms can only offer an empty promise, the logical consequence of such a program must necessarily be disillusionment.

It is not true that socialism will arise automatically from the daily struggle of the working class. Socialism will be the consequence of (1), the growing

contradictions of capitalist economy and (2), of the comprehension by the working class of the unavoidability of the suppression of these contradictions through a social transformation. When, in the manner of revisionism, the first condition is denied and the second rejected, the labour movement finds itself reduced to a simple co-operative and reformist movement. We move here in a straight line toward the total abandonment of the class viewpoint.

This consequence also becomes evident when we investigate the general character of revisionism. It is obvious that revisionism does not wish to concede that its standpoint is that of the capitalist apologist. It does not join the bourgeois economists in denying the existence of the contradictions of capitalism. But, on the other hand, what precisely constitutes the fundamental point of revisionism and distinguishes it from the attitude taken by the Social Democracy up to now, is that it does not base its theory on the belief that the contradictions of capitalism will be suppressed as a result of the logical inner development of the present economic system.

We may say that the theory of revisionism occupies an intermediate place between two extremes. Revisionism does not expect to see the contradictions of capitalism mature. It does not propose to suppress these contradictions through a revolutionary transformation. It wants to lessen, to attenuate, the

capitalist contradictions. So that the antagonism existing between production and exchange is to be mollified by the cessation of crises and the formation of capitalist combines. The antagonism between Capital and Labour is to be adjusted by bettering the situation of the workers and by the conservation of the middle classes. And the contradiction between the class State and society is to be liquidated through increased State control and the progress of democracy.

It is true that the present procedure of the Social Democracy does not consist in waiting for the antagonisms of capitalism to develop and in passing on, only then, to the task of suppressing them. On the contrary, the essence of revolutionary procedure is to be guided by the direction of this development, once it is ascertained, and inferring from this direction what consequences are necessary for the political struggle. Thus the Social Democracy has combated tariff wars and militarism without waiting for their reactionary character to become fully evident. Bernstein's procedure is not guided by a consideration of the development of capitalism, by the prospect of the aggravation of its contradictions. It is guided by the prospect of the attenuation of these contradictions. He shows this when he speaks of the "adaptation" of capitalist economy.

Now when can such a conception be correct? If it is true that capitalism will continue to develop in the

direction it takes at present, then its contradictions must necessarily become sharper and more aggravated instead of disappearing. The possibility of the attenuation of the contradictions of capitalism presupposes that the capitalist mode of production itself will stop its progress. In short, the general condition of Bernstein's theory is the cessation of capitalist development.

This way, however, his theory condemns itself in a twofold manner.

In the first place, it manifests its *utopian* character in its stand on the establishment of socialism. For it is clear that a defective capitalist development cannot lead to a socialist transformation.

In the second place, Bernstein's theory reveals its *reactionary* character when it refers to the rapid capitalist development that is taking place at present. Given the development of real capitalism, how can we explain, or rather state, Bernstein's position?

We have demonstrated in the first chapter the baselessness of the economic conditions on which Bernstein builds his analysis of existing social relationships. We have seen that neither the credit system nor cartels can be said to be "means of adaptation" of capitalist economy. We have seen that not even the temporary cessation of crises nor the survival of the middle class can be regarded as

symptoms of capitalist adaptation. But even though we should fail to take into account the erroneous character of all these details of Bernstein's theory we cannot help but be stopped short by one feature common to all of them. Bernstein's theory does not seize these manifestations of contemporary economic life as they appear in their organic relationship with the whole of capitalist development, with the complete economic mechanism of capitalism. His theory pulls these details out of their living economic context. It treats them as *disjecta membra* (separate parts) of a lifeless machine.

Consider, for example, his conception of the adaptive effect of credit. If we recognise credit as a higher natural stage of the process of exchange and, therefore, of the contradictions inherent in capitalist exchange, we cannot at the same time see it as a mechanical means of adaptation existing outside of the process of exchange. It would be just as impossible to consider money, merchandise, and capital as "means of adaptation" of capitalism.

However, credit, like money, commodities and capital, is an organic link of capitalist economy at a certain stage of its development. Like them, it is an indispensable gear in the mechanism of capitalist economy, and at the same time, an instrument of destruction, since it aggravates the internal contradictions of capitalism.

The same thing is true about cartels and the new, perfected means of communication.

The same mechanical view is presented by Bernstein's attempt to describe the promise of the cessation of crises as a symptom of the "adaptation" of capitalist economy. For him, crises are simply derangements of the economic mechanism. With their cessation, he thinks, the mechanism could function well. But the fact is that crises are not "derangements" in the usual sense of the word. They are "derangements" without which capitalist economy could not develop at all. For if crises constitute the only method possible in capitalism – and therefore the normal method – of solving periodically the conflict existing between the unlimited extension of production and the narrow limits of the world market, then crises are an organic manifestation inseparable from capitalist economy.

In the "unhindered" advance of capitalist production lurks a threat to capitalism that is much greater than crises. It is the threat of the constant fall of the rate of profit, resulting not only from the contradiction between production and exchange, but from the growth of the productivity of labour itself. The fall in the rate of profit has the extremely dangerous tendency of rendering impossible any enterprise for small and middle-sized capitals. It thus limits the new formation and therefore the extension of placements of capital.

And it is precisely crises that constitute the other consequence of the same process. As a result of their periodic *depreciation* of capital, crises bring a fall in the prices of means of production, a paralysis of a part of the active capital, and in time the increase of profits. They thus create the possibilities of the renewed advance of production. Crises therefore appear to be the instruments of rekindling the fire of capitalist development. Their cessation – not temporary cessation, but their total disappearance in the world market – would not lead to the further development of capitalist economy. It would destroy capitalism.

True to the mechanical view of his theory of adaptation, Bernstein forgets the necessity of crises as well as the necessity of new placements of small and middle-sized capitals. And that is why the constant reappearance of small capital seems to him to be the sign of the cessation of capitalist development though it is, in fact, a symptom of normal capitalist development.

It is important to note that there is a viewpoint from which all the above-mentioned phenomena are seen exactly as they have been presented by the theory of "adaptation." It is the viewpoint of the isolated (single) capitalist who reflects in his mind the economic facts around him just as they appear when refracted by the laws of competition. The isolated capitalist sees each organic part of the whole of our economy as an

independent entity. He sees them as they act on him, the single capitalist. He therefore considers these facts to be simple “derangements” of simple “means of adaptation.” For the isolated capitalist, it is true, crises are really simple derangements; the cessation of crises accords him a longer existence. As far as he is concerned, credit is only a means of “adapting” his insufficient productive forces to the needs of the market. And it seems to him that the cartel of which he becomes a member really suppresses industrial anarchy.

Revisionism is nothing else than a theoretic generalisation made from the angle of the isolated capitalist. Where does this viewpoint belong theoretically if not in vulgar bourgeois economics?

All the errors of this school rest precisely on the conception that mistakes the phenomena of competition, as seen from the angle of the isolated capitalist, for the phenomena of the whole of capitalist economy. Just as Bernstein considers credit to be a means of “adaptation,” to the needs of exchange. Vulgar economy, too, tries to find the antidote against the ills of capitalism in the phenomena of capitalism. Like Bernstein, it believes that it is possible to regulate capitalist economy. And in the manner of Bernstein, it arrives in time at the desire to palliate the contradictions of capitalism, that is, at the belief in the possibility of patching up the sores of capitalism. It

ends up by subscribing to a program of reaction. It ends up in an utopia.

The theory of revisionism can therefore be defined in the following way. It is a theory of standing still in the socialist movement built, with the aid of vulgar economy, on a theory of capitalist standstill.

Part Two

Chapter VI

Economic Development and Socialism

The greatest conquest of the developing proletarian movement has been the discovery of grounds of support for the realisation of socialism in the *economic condition* of capitalist society. As a result of this discovery, socialism was changed from an “ideal” dreamt of by humanity for thousands of years to a thing of *historic necessity*.

Bernstein denies the existence of the economic conditions for socialism in the society of today. On this count his reasoning has undergone an interesting evolution. At first, in the Neue Zeit, he simply contested the rapidity of the process of concentration taking place in industry. He based his position on a comparison of the occupational statistics of Germany in 1882 and 1895. In order to use these figures for his purpose, he was obliged to proceed in an entirely

summary and mechanical fashion. In the most favourable case, he could not, even by demonstrating the persistence of middle-sized enterprises, weaken in any the Marxian analysis because the latter does not suppose as a condition for the realisation of socialism either a definite rate of concentration of industry – that is, a definite *delay* of the realisation of socialism – or, as we have already shown, the *absolute disappearance* of small capitals, usually described as the disappearance of the petit bourgeoisie.

In the course of the latest development of his ideas Bernstein furnishes us, in his book, a new assortment of proofs: the statistics of *shareholding societies*. These statistics are used in order to prove that the number of shareholders increases constantly and as a result the capitalist class does not become smaller but grows bigger. It is surprising that Bernstein has so little acquaintance with his material. And it is astonishing how poorly he utilises the existing data in his own behalf.

If he wanted to disprove the Marxian law of industrial development by referring to the condition of shareholding societies, he should have resorted to entirely different figures. Anybody who is acquainted with the history of shareholding societies in Germany knows that their average foundation capital has *diminished* almost constantly. Thus while before 1871 their average foundation capital reached the figure of

10.8 million marks, it was only 4.01 million marks in 1871, 3.8 million marks in 1873, less than a million from 1882 to 1887, 0.52 million in 1891 and only 0.62 million in 1892. After this date the figures oscillated around 1 million marks, falling to 1.78 in 1895 and to 1.19 in the course of the first half of 1897. (Van de Borght: Handwörterbuch der Staatsswissenschaften, 1.)

Those are surprising figures. Using them, Bernstein hoped to show the existence of a counter-Marxian tendency for retransformation of large enterprises into small ones. The obvious answer to his attempt is the following. If you are to prove anything at all by means of your statistics, you must first show that they refer to the *same* branches of industry. You must not show that small enterprises really replace large ones, that they do not. Instead, they appear only where small enterprises or even artisan industry were the rule before. This, however, you cannot show to be true. The statistical passage of immense shareholding societies to middle-size and small enterprises can be explained only by referring to the fact that the system of shareholding societies continues to penetrate new branches of production. Before, only a small number of large enterprises were organised as shareholding societies. Gradually shareholding organisation has won middle-size and even small enterprises. Today we can observe shareholding societies with a capital of below 1,000 marks.

Now, what is the economic significance of the extension of the system of shareholding societies? Economically, the spread of shareholding societies stands for the growing socialisation of production under the capitalist form – socialisation not only of large but also of middle-size and small production. The extension of shareholding does not, therefore, contradict Marxist theory but on the contrary, confirms it emphatically.

What does the economic phenomenon of a shareholding society actually amount to? It represents, on the one hand, the unification of a number of small fortunes into a large capital of production. It stands, on the other hand, for the separation of production from capitalist ownership. That is, it denotes that a double victory being won over the capitalist mode of production – but still on a capitalist base.

What is the meaning, therefore, of the statistics cited by Bernstein according to which an ever-greater number of shareholders participate in capitalist enterprises? These statistics go on to demonstrate precisely the following: at present a capitalist enterprise does not correspond, as before, to a single proprietor of capital but to a number of capitalists. Consequently, *the economic notion of "capitalist" no longer signifies an isolated individual. The industrial capitalist of today is a collective person composed of hundreds and even of thousands of individuals. The category "capitalist"*

has itself become a social category. It has become "socialised" – within the frame-work of capitalist society.

In that case, how shall we explain Bernstein's belief that the phenomenon of share-holding societies stands for the dispersion and not the concentration of capital? Why does he see the extension of capitalist property where Marx saw its suppression?

That is a simple economic error. By "capitalist," Bernstein does not mean a category of production but the right to property. To him, "capitalist" is not an economic unit but a fiscal unit. And "capital" is for him not a factor of production but simply a certain quantity of money. That is why in his English sewing thread trust he does not see the fusion of 12,300 persons with money into a single capitalist unit but 12,300 different capitalists. That is why the engineer Schulze whose wife's dowry brought him a large number of share from stockholder Mueller is also a capitalist for Bernstein. That is why for Bernstein the entire world seems to swarm with capitalists.

Here too, the theoretic base of his economic error is his "popularisation" of socialism. For this is what he does. By transporting the concept of capitalism from its productive relations to property relations, and by speaking of simple individuals instead of speaking of entrepreneurs, he moves the question of socialism from

the domain of production into the domain of relations of fortune – that is, from the relation between Capital and Labour to the relation between poor and rich.

In this manner we are merrily led from Marx and Engels to the author of the Evangel of the Poor Fisherman. There is this difference, however. Weitling, with the sure instinct of the proletarian, saw in the opposition between the poor and the rich, the class antagonisms in their primitive form, and wanted to make of these antagonisms a lever of the movement for socialism. Bernstein, on the other hand, locates the realisation of socialism in the possibility of making the poor rich. That is, he locates it in the attenuation of class antagonisms and therefore in the petty bourgeoisie.

True, Bernstein does not limit himself to the statistics of incomes. He furnishes statistics of economic enterprises, especially those of the following countries: Germany, France, England, Switzerland, Austria and the United States. But these statistics are not the comparative figures of *different periods* in each country but of each period in different countries. We are not therefore offered (with the exception of Germany where he repeats the old contrast between 1895 and 1892), a comparison of the statistics of enterprises of a given country at different epochs but the *absolute* figures for different countries: England in 1891, France in 1894, United States in 1890, etc.

He reaches the following conclusion: “Though it is true that large exploitation is already supreme in industry today, it nevertheless, represents, including the enterprises dependent on large exploitation, even in a country as developed in Prussia, *only half of the population occupied in production*.” This is also true about Germany, England, Belgium, etc.

What does he actually prove here? He proves not the existence of such or such a *tendency of economic development* but merely the *absolute relation of forces* of different forms of enterprise, or put in other words, the absolute relations of the various classes in our society.

Now if one wants to prove in this manner the impossibility of realising socialism one’s reasoning must rest on the theory according to which the result of social efforts is decided by the relation of the numerical material forces of the elements in the struggle, that is, by the factor of *violence*. In other words, Bernstein, who always thunders against Blanquism [See: Louis Blanqui], himself falls into the grossest Blanquist error. There is this difference, however. To the Blanquists, who represented a socialist and revolutionary tendency, the possibility of the economic realisation of socialism appeared quite natural. On this possibility they built the chances of a violent revolution – even by a small minority. Bernstein, on the contrary, infers from the

numerical insufficiency of a socialist majority, the impossibility of the economic realisation of socialism. The Social-Democracy *does not, however, expect to attain its aim either as a result of the victorious violence of a minority or through the numerical superiority of a majority. It sees socialism come as a result of economic necessity – and the comprehension of that necessity – leading to the suppression of capitalism by the working masses.* And this necessity manifests itself above all in the anarchy of capitalism.

What is Bernstein's position on the decisive question of anarchy in capitalist economy? He denies only the great general crises. He does not deny partial and national crises. In other words, he refuses to see a great deal of the anarchy of capitalism; he sees only a little of it. He is – to use Marx's illustration – like the foolish virgin who had a child "who was only very small." But the misfortune is that in matters like economic anarchy little and much are equally bad. If Bernstein recognises the existence of a little of this anarchy, we may point out to him that by the mechanism of the market economy this bit of anarchy will be extended to unheard of proportions, to end in collapse. But if Bernstein hopes to transform gradually his bit of anarchy into order and harmony while maintaining the system of commodity production, he again falls into one of the fundamental errors of bourgeois political economy according to which the

mode of exchange is independent of the mode of production.

This is not the place for a lengthy demonstration of Bernstein's surprising confusion concerning the most elementary principles of political economy. But there is one point – to which we are led by the fundamental questions of capitalist anarchy – that must be clarified immediately.

Bernstein declares that Marx's law of surplus value is a simple abstraction. In political economy a statement of this sort obviously constitutes an insult. But if surplus value is only a simple abstraction, if it is only a figment of the mind – then every normal citizen who has done military duty and pays his taxes on time has the same right as Karl Marx to fashion his individual absurdity, to make his own law of value. "Marx has as much right to neglect the qualities of commodities till they are no more than the incarnation of quantities of simple human labour as have the economists of the Böhm-Jevons school to make an abstraction of all the qualities of commodities outside of their utility."

That is, to Bernstein, Marx's social labour and Menger's abstract utility are quite similar – pure abstractions. Bernstein forgets completely that Marx's abstraction is not an invention. It is a discovery. It does not exist in Marx's head but in market economy. It has not an imaginary existence, but a real social existence,

so real that it can be cut, hammered, weighed and put in the form of the money. The abstract human labour discovered by Marx is, in its developed form, no other than *money*. That is precisely one of the greatest of Marx's discoveries, while to all bourgeois political economists, from the first of the mercantilists to the last of the classicists, the essence of money has remained a mystic enigma.

The Boehm-Jevons abstract utility is, in fact, a conceit of the mind. Or stated more correctly, it is a representation of intellectual emptiness, a private absurdity, for which neither capitalism nor any other society can be made responsible, but only vulgar bourgeois economy itself. Hugging their brain-child, Bernstein, Böhm and Jevons, and the entire subjective fraternity, can remain twenty years or more before the mystery of money, without arriving at a solution that is different from the one reached by any cobbler, namely that money is also a "useful" thing.

Bernstein has lost all comprehension of Marx's law of value. Anybody with a small understanding of Marxian economics can see that without the law of value, Marx's doctrine is incomprehensible. Or to speak more concretely – for him who does not understand the nature of the commodity and its exchange the entire economy of capitalism, with all its concatenations, must of necessity remain an enigma.

What precisely was the key which enabled Marx to open the door to the secrets of capitalist phenomena and solve, as if in play, problems that were not even suspected by the greatest minds of classic bourgeois economy? It was his conception of capitalist economy as an historic phenomenon – not merely in the sense recognised in the best of cases by the classic economists, that is, when it concerns the feudal past of capitalism – but also in so far as it concerns the socialist future of the world. The secret of Marx's theory of value, of his analysis of the problem of money, of his theory of capital, of the theory of the rate of profit and consequently of the entire existing economic system is found in the transitory character of capitalist economy, the inevitability of its collapse leading – and this is only another aspect of the same phenomenon – to socialism. It is only because Marx looked at capitalism from the socialist's viewpoint, that is from the historic viewpoint, that he was enabled to decipher the hieroglyphics of capitalist economy. And it is precisely because he took the socialist viewpoint as a point of departure for his analysis of bourgeois society that he was in the position to give a scientific base to the socialist movement.

This is the measure by which we evaluate Bernstein's remarks. He complains of the "dualism" found everywhere in Marx's monumental Capital. "The work wishes to be a scientific study and prove, at the same time, a thesis that was completely elaborated a long

time before the editing of the book; it is based on a schema that already contains the result to which he wants to lead. The return to the Communist Manifesto (that is the socialist goal! – *R.L.*), proves the existence of vestiges of utopianism in Marx's doctrine."

But what is Marx's "dualism" if not the dualism of the socialist future and the capitalist present? It is the dualism of Capitalism and Labour, the dualism of the bourgeoisie and the proletariat. It is the scientific reflection of the dualism existing in bourgeois society, the dualism of the class antagonism writhing inside the social order of capitalism.

Bernstein's recognition of this theoretic dualism in Marx as "a survival of utopianism" is really his naïve avowal that he denies the class antagonisms in capitalism. It is his confession that socialism has become for him only a "survival of utopianism." What is Bernstein's "monism" – Bernstein's unity – but the eternal unity of the capitalist regime, the unity of the former socialist who has renounced his aim and has decided to find in bourgeois society, one and immutable, the goal of human development?

Bernstein does not see in the economic structure of capitalism the development that leads to socialism. But in order to conserve his socialist program, at least in form, he is obliged to take refuge in an idealist construction placed outside of all economic

development. He is obliged to transform socialism itself from a definite historical phase of social development into an abstract “principle.”

That is why the “co-operative principle” – the meagre decantation of socialism by which Bernstein wishes to garnish capitalist economy – appears as a concession made not to the socialist future of society but to Bernstein’s own socialist past.

Part Two

Chapter VII

Co-operatives, Unions, Democracy

Bernstein's socialism offers to the workers the prospect of sharing in the wealth of society. The poor are to become rich. How will this socialism be brought about? His article in the Neue Zeit (*Problems of Socialism*) contain only vague allusions to this question. Adequate information, however, can be found in his book.

Bernstein's socialism is to be realised with the aid of these two instruments: labour unions – or as Bernstein himself characterises them, economic democracy – and co-operatives. The first will suppress industrial profit; the second will do away with commercial profit.

Co-operatives – especially co-operatives in the field of production constitute a hybrid form in the midst of capitalism. They can be described as small units of socialised production within capitalist exchange.

But in capitalist economy exchanges dominate production. As a result of competition, the complete domination of the process of production by the interests of capital – that is, pitiless exploitation – becomes a condition for the survival of each enterprise. The domination of capital over the process of production expresses itself in the following ways. Labour is intensified. The work day is lengthened or shortened, according to the situation of the market. And, depending on the requirements of the market, labour is either employed or thrown back into the street. In other words, use is made of all methods that enable an enterprise to stand up against its competitors in the market. The workers forming a co-operative in the field of production are thus faced with the contradictory necessity of governing themselves with the utmost absolutism. They are obliged to take toward themselves the role of capitalist entrepreneur – a contradiction that accounts for the usual failure of production co-operatives which either become pure capitalist enterprises or, if the workers' interests continue to predominate, end by dissolving.

Bernstein has himself taken note of these facts. But it is evident that he has not understood them. For, together with Mrs. Potter-Webb, he explains the failure of production co-operatives in England by their lack of "discipline." But what is so superficially and flatly called here "discipline" is nothing else than the natural

absolutist regime of capitalism, which it is plain, the workers cannot successfully use against themselves.

Producers' co-operatives can survive within capitalist economy only if they manage to suppress, by means of some detour, the capitalist controlled contradictions between the mode of production and the mode of exchange. And they can accomplish this only by removing themselves artificially from the influence of the laws of free competition. And they can succeed in doing the last only when they assure themselves beforehand of a constant circle of consumers, that is, when they assure themselves of a constant market.

It is the consumers' co-operative that can offer this service to its brother in the field of production. Here – and not in Oppenheimer's distinction between co-operatives that produce and co-operatives that sell – is the secret sought by Bernstein: the explanation for the invariable failure of producers' co-operatives functioning independently and their survival when they are backed by consumers' organisations.

If it is true that the possibilities of existence of producers' co-operatives within capitalism are bound up with the possibilities of existence of consumers' co-operatives, then the scope of the former is limited, in the most favourable of cases, to the small local market and to the manufacture of articles serving immediate needs, especially food products. Consumers' and

therefore producers' co-operatives, are excluded from the most important branches of capital production – the textile, mining, metallurgical and petroleum industries, machine construction, locomotive and ship-building. For this reason alone (forgetting for the moment their hybrid character), co-operatives in the field of production cannot be seriously considered as the instrument of a general social transformation. The establishment of producers' co-operatives on a wide scale would suppose, first of all, the suppression of the world market, the breaking up of the present world economy into small local spheres of production and exchange. The highly developed, wide-spread capitalism of our time is expected to fall back to the merchant economy of the Middle Ages.

Within the framework of present society, producers' co-operatives are limited to the role of simple annexes to consumers' co-operatives. It appears, therefore, that the latter must be the beginning of the proposed social change. But this way the expected reform of society by means of co-operatives ceases to be an offensive against capitalist production. That is, it ceases to be an attack against the principal bases of capitalist economy. It becomes, instead, a struggle against commercial capital, especially small and middle-sized commercial capital. It becomes an attack made on the twigs of the capitalist tree.

According to Bernstein, trade unions too, are a means of attack against capitalism in the field of production. We have already shown that trade unions cannot give the workers a determining influence over production. Trade unions can determine neither the dimensions of production nor the technical progress of production.

This much may be said about the purely economic side of the "struggle of the rate of wages against the rate of profit," as Bernstein labels the activity of the trade union. It does not take place in the blue of the sky. It takes place within the well-defined framework of the law of wages. The law of wages is not shattered but applied by trade-union activity.

According to Bernstein, it is the trade unions that lead – in the general movement for the emancipation of the working class – the real attack against the rate of industrial profit. According to Bernstein, trade unions have the task of transforming the rate of industrial profit into "rates of wages." The fact is that trade unions are least able to execute an economic offensive against profit. Trade unions are nothing more than the organised *defence* of labour power against the attacks of profit. They express the resistance offered by the working class to the oppression of capitalist economy.

On the one hand, trade unions have the function of influencing the situation in the labour-power market. But this influence is being constantly overcome by the

proletarianisation of the middle layers of our society, a process which continually brings new merchandise on the labour market. The second function of the trade unions is to ameliorate the condition of the workers. That is, they attempt to increase the share of the social wealth going to the working class. This share, however, is being reduced with the fatality of a natural process by the growth of the productivity of labour. One does not need to be a Marxist to notice this. It suffices to read Rodbertus' In Explanation of the Social Question.

In other words, the objective conditions of capitalist society transform the two economic functions of the trade unions into a sort of labour of Sisyphus,[2] which is, nevertheless, indispensable. For as a result of the activity of his trade unions, the worker succeeds in obtaining for himself the rate of wages due to him in accordance with the situation of the labour-power market. As a result of trade union activity, the capitalist law of wages is applied and the effect of the depressing tendency of economic development is paralysed, or to be more exact, attenuated.

However, the transformation of the trade union into an instrument for the progressive reduction of profit in favour of wages presupposes the following social conditions; first, the cessation of the proletarianisation of the middle strata of our society; secondly, a

stoppage of the growth of productivity of labour. We have in both cases *a return to pre-capitalist conditions*,

Co-operatives and trade unions are totally incapable of transforming the *capitalist mode of production*. This is really understood by Bernstein, though in a confused manner. For he refers to co-operatives and trade unions as a means of reducing the profit of the capitalists and thus enriching the workers. In this way, he renounces the struggle against the *capitalist mode of production* and attempts to direct the socialist movement to struggle against "capitalist distribution." Again and again, Bernstein refers to socialism as an effort towards a "just, juster and still more just" mode of distribution. (Vorwärts, March 26, 1899).

It cannot be denied that the direct cause leading the popular masses into the socialist movement is precisely the "unjust" mode of distribution characteristic of capitalism. When the Social-Democracy struggles for the socialisation of the entire economy, it aspires therewith also to a "just" distribution of the social wealth. But, guided by Marx's observation that the mode of distribution of a given epoch is a natural consequence of the mode of production of that epoch, the Social-Democracy does not struggle against distribution in the framework of capitalist production. It struggles instead for the suppression of the capitalist production itself. In a word, the Social-Democracy wants to establish the mode of socialist distribution by

suppressing the capitalist mode of production. Bernstein's method, on the contrary, proposes to combat the capitalist mode of distribution in the hopes of gradually establishing, in this way, the socialist mode of production.

What, in that case, is the basis of Bernstein's program for the reform of society? Does it find support in definite tendencies of capitalist production? No. In the first place, he denies such tendencies. In the second place, the socialist transformation of production is for him the effect and not the cause of distribution. He cannot give his program a materialist base, because he has already overthrown the aims and the means of the movement for socialism, and therefore its economic conditions. As a result, he is obliged to construct himself an idealist base.

"Why represent socialism as the consequence of economic compulsion?" he complains. "Why degrade man's understanding, his feeling for justice, his will?" (Vorwärts, March 26, 1899). Bernstein's superlatively just distribution is to be attained thanks to man's free will; man's will acting not because of economic necessity, since this will is only an instrument, but because of man's comprehension of justice, because of man's *idea of justice*.

We thus quite happily return to the principle of justice, to the old war horse on which the reformers of

the earth have rocked for ages, for the lack of surer means of historic transportation. We return to the lamentable Rosinate on which the Don Quixotes of history have galloped towards the great reform of the earth, always to come home with their eyes blackened.

The relation of the poor to the rich, taken as a base for socialism, the principle of co-operation as the content of socialism, the "most just distribution" as its aim, and the idea of justice as its only historic legitimisation – with how much more force, more with and more fire did Weitling defend that sort of socialism fifty years ago. However, that genius of a tailor did not know scientific socialism. If today, the conception tore into bits by Marx and Engels a half century ago is patched up and presented to the proletariat as the last world of social science, that too, is the art of a tailor but it has nothing of a genius about it.

Trade unions and co-operatives are the economic support for the theory of revisionism. Its principal political condition is the growth of democracy. The present manifestations of political reaction are to Bernstein only "displacement." He considers them accidental, momentary, and suggests that they are not to be considered in the elaboration of the general directives of the labour movement.

To Bernstein, democracy is an inevitable stage in the development of society. To him, as to the bourgeois

theoreticians of liberalism, democracy is the great fundamental law of historic development, the realisation of which is served by all the forces of political life. However, Bernstein's thesis is completely false. Presented in this absolute force, it appears as a petty-bourgeois vulgarisation of results of a very short phase of bourgeois development, the last twenty-five or thirty years. We reach entirely different conclusions when we examine the historic development of democracy a little closer and consider, at the same time, the general political history of capitalism.

Democracy has been found in the most dissimilar social formations: in primitive communist groups, in the slave states of antiquity and in medieval communes. And similarly, absolutism and constitutional monarchy are to be found under the most varied economic orders. When capitalism began, with the first production of commodities, it resorted to a democratic constitution in the municipal-communes of the Middle Ages. Later, when it developed to manufacturing, capitalism found its corresponding political form in the absolute monarchy. Finally, as a developed industrial economy, it brought into being in France the democratic republic of 1793, the absolute monarchy of Napoleon I, the nobles' monarchy of the Restoration period (1850-1830), the bourgeois constitutional monarchy of Louis-Philippe, then again the democratic republic, and

against the monarchy of Napoleon III, and finally, for the third time, the Republic.

In Germany, the only truly democratic institution – universal suffrage – is not a conquest won by bourgeois liberalism. Universal suffrage in Germany was an instrument for the fusion of the small States. It is only in this sense that it has any importance for the development of the German bourgeoisie, which is otherwise quite satisfied with semi-feudal constitutional monarchy. In Russia, capitalism prospered for a long time under the regime of oriental absolutism, without having the bourgeoisie manifest the least desire in the world to introduce democracy. In Austria, universal suffrage was above all a safety line thrown to a foundering and decomposing monarchy. In Belgium, the conquest of universal suffrage by the labour movement was undoubtedly due to the weakness of the local militarism, and consequently to the special geographic and political situation of the country. But we have here a "bit of democracy" that has been won not by the bourgeoisie but *against it*.

The uninterrupted victory of democracy, which to our revisionism as well as to bourgeois liberalism, appears as a great fundamental law of human history and, especially, modern history is shown upon closer examination to be a phantom. No absolute and general relation can be constructed between capitalist development and democracy. The political form of a

given country is always the result of the composite of all the existing political factors, domestic as well as foreign. It admits within its limits all variations of the scale from absolute monarchy to the democratic republic.

We must abandon, therefore, all hope of establishing democracy as a general law of historical development even within the framework of modern society. Turning to the present phase of bourgeois society, we observe here, too, political factors which, instead of assuring the realisation of Bernstein's schema, led rather to the abandonment by bourgeois society of the democratic conquests won up to now.

Democratic institutions – and this is of the greatest significance – have completely exhausted their function as aids in the development of bourgeois society. In so far as they were necessary to bring about the fusion of small States and the creation of large modern States (Germany, Italy), they are no longer indispensable at present. Economic development has meanwhile effected an internal organic cicatrisation.

The same thing can be said concerning the transformation of the entire political and administrative State machinery from feudal or semi-feudal mechanism to capitalist mechanism. While this transformation has been historically inseparable from the development of democracy, it has been realised today to such an extent

that the purely democratic “ingredients” of society, such as universal suffrage and the republican State form, may be suppressed without having the administration, the State finances, or the military organisation find it necessary to return to the forms they had before the March Revolution.[3]

If liberalism as such is now absolutely useless to bourgeois society it has become, on the other hand, a direct impediment to capitalism from other standpoints. Two factors dominate completely the political life of contemporary States: world politics and the labour movement. Each is only a different aspect of the present phase of capitalist development.

As a result of the development of the world economy and the aggravation and generalisation of competition on the world market, militarism and the policy of big navies have become, as instruments of world politics, a decisive factor in the interior as well as in the exterior life of the great States. If it is true that world politics and militarism represent a rising tendency in the present phase of capitalism, then bourgeois democracy must logically move in a descending line.

In Germany the era of great armament, began in 1893, and the policy of world politics inaugurated with the seizure of Kiao-Cheou were paid for immediately with the following sacrificial victim: the decomposition of liberalism, the deflation of the Centre Party, which

passed from opposition to government. The recent elections to the Reichstag of 1907 unrolling under the sign of the German colonial policy were, at the same time, the historical burial of German liberalism.

If foreign politics push the bourgeoisie into the arms of reaction this is no less true about domestic politics – thanks to the rise of the working class. Bernstein shows that he recognises this when he makes the social-democratic "legend," which "wants to swallow everything" – in other words, the socialist efforts of the working class – responsible for the desertion of the liberal bourgeoisie. He advises the proletariat to disavow its socialist aim so that the mortally frightened liberals might come out of the mousehole of reaction. Making the suppression of the socialist labour movement an essential condition for the preservation of bourgeois democracy, he proves in a striking manner that this democracy is in complete contradiction with the inner tendency of development of the present society. He proves, at the same time, that the socialist movement is itself a *direct product* of this tendency.

But he proves, at the same time, still another thing. By making the denouncement of the socialist aim an essential condition of the resurrection of bourgeois democracy, he shows how inexact is the claim that bourgeois democracy is an indispensable condition of the socialist movement and the victory of socialism.

Bernstein's reasoning exhausts itself in a vicious circle. His conclusion swallows his premises.

The solution is quite simple. In view of that fact that bourgeois liberalism has given up its ghost from fear of the growing labour movement and its final aim, we conclude that the socialist labour movement is today the *only* support for that which is not the goal of the socialist movement – democracy. We must conclude that democracy can have no support. We must conclude that the socialist movement is not bound to bourgeois democracy but that, on the contrary, the fate of democracy is bound up with the socialist movement. We must conclude from this that democracy does not acquire greater chances of survival, as the socialist movement becomes sufficiently strong to struggle against the reactionary consequences of world politics and the bourgeois desertion of democracy. He who would strengthen democracy should want to strengthen and not weaken the socialist movement. He who renounces the struggle for socialism renounces both the labour movement and democracy.

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[2] The mythological king of Corinth who was condemned to roll a huge stone to the top of a hill. It constantly rolled back down against making his task incessant.

[3] The German revolution of 1848, which struck an effective blow against the feudal institutions in Germany.

Part Two

Chapter VIII

Conquest of Political Power

The fate of democracy is bound up, we have seen, with the fate of the labour movement. But does the development of democracy render superfluous or impossible a proletarian revolution, that is, the conquest of political power by the workers?

Bernstein settles the question by weighing minutely the good and bad sides of social reform and social revolution. He does it almost in the same manner in which cinnamon or pepper is weighed out in a consumers' co-operative store. He sees the legislative course of historic development as the action of "intelligence," while the revolutionary course of historic development is for him the action of "feeling." Reformist activity, he recognises as a slow method of historic progress, revolution as a rapid method of

progress. In legislation he sees a methodical force; in revolution, a spontaneous force.

We have known for a long time that the petty-bourgeoisie reformer finds “good” and “bad” sides in everything. He nibbles a bit at all grasses. But the real course of events is little affected by such combination. The carefully gathered little pile of the “good sides” of all things possible collapses at the first filip of history. Historically, legislative reform and the revolutionary method function in accordance with influences that are much more profound than the consideration of the advantages or inconveniences of one method or another.

In the history of bourgeois society, legislative reform served to strengthen progressively the rising class till the latter was sufficiently strong to seize political power, to suppress the existing juridical system and to construct itself a new one. Bernstein, thundering against the conquest of political power as a theory of Blanquist violence, has the misfortune of labelling as a Blanquist error that which has always been the pivot and the motive force of human history. From the first appearance of class societies having the class struggle as the essential content of their history, the conquest of political power has been the aim of all rising classes. Here is the starting point and end of every historic period. This can be seen in the long struggle of the Latin peasantry against the financiers and nobility of ancient

Rome, in the struggle of the medieval nobility against the bishops and in the struggle of the artisans against the nobles, in the cities of the Middle Ages. In modern times, we see it in the struggle of the bourgeoisie against feudalism.

Legislative reform and revolution are not different methods of historic development that can be picked out at the pleasure from the counter of history, just as one chooses hot or cold sausages. Legislative reform and revolution are different *factors* in the development of class society. They condition and complement each other, and are at the same time reciprocally exclusive, as are the north and south poles, the bourgeoisie and proletariat.

Every legal constitution is the *product* of a revolution. In the history of classes, revolution is the act of political creation, while legislation is the political expression of the life of a society that has already come into being. Work for reform does not contain its own force independent from revolution. During every historic period, work for reforms is carried on only in the direction given to it by the impetus of the last revolution and continues as long as the impulsion from the last revolution continues to make itself felt. Or, to put it more concretely, in each historic period work for reforms is carried on only in the framework of the social form created by the last revolution. Here is the kernel of the problem.

It is contrary to history to represent work for reforms as a long-drawn out revolution and revolution as a condensed series of reforms. A social transformation and a legislative reform do not differ according to their duration but according to their content. The secret of historic change through the utilisation of political power resides precisely in the transformation of simple quantitative modification into a new quality, or to speak more concretely, in the passage of an historic period from one given form of society to another.

That is why people who pronounce themselves in favour of the method of legislative reform *in place and in contradistinction to* the conquest of political power and social revolution, do not really choose a more tranquil, calmer and slower road to the *same* goal, but a *different* goal. Instead of taking a stand for the establishment of a new society they take a stand for surface modifications of the old society. If we follow the political conceptions of revisionism, we arrive at the same conclusion that is reached when we follow the economic theories of revisionism. Our program becomes not the realisation of *socialism*, but the reform of *capitalism*; not the suppression of the wage labour system but the diminution of exploitation, that is, the suppression of the abuses of capitalism instead of suppression of capitalism itself.

Does the reciprocal role of legislative reform and revolution apply only to the class struggle of the past?

It is possible that now, as a result of the development of the bourgeois juridical system, the function of moving society from one historic phase to another belongs to legislative reform and that the conquest of State power by the proletariat has really become “an empty phrase,” as Bernstein puts it?

The very opposite is true. What distinguishes bourgeois society from other class societies – from ancient society and from the social order of the Middle Ages? Precisely the fact that class domination does not rest on “acquired rights” but on *real economic relations* – the fact that wage labour is not a juridical relation, but purely an economic relation. In our juridical system there is not a single legal formula for the class domination of today. The few remaining traces of such formulae of class domination are (as that concerning servants), survivals of feudal society.

How can wage slavery be suppressed the “legislative way,” if wage slavery is not expressed the laws? Bernstein, who would do away with capitalism by means of legislative reforms, finds himself in the same situation s Uspensky’s Russian policeman who said: “Quickly I seized the rascal by the collar! But what do I see? The confounded fellow has no collar!” And that is precisely Bernstein’s difficulty.

“All previous societies were based on an antagonism between an oppressing class and an oppressed class”

(Communist Manifesto). But in the preceding phases of modern society, this antagonism was expressed in distinctly determined juridical relations and could, especially because of that, accord, to a certain extent, a place to new relations within the framework of the old. “In the midst of serfdom, the serf raised himself to the rank of a member of the town community” (Communist Manifesto). How was that made possible? It was made possible by the progressive of all feudal privileges in the environs of the city: the corvée, the right to special dress, the inheritance tax, the lord’s claim to the best cattle, the personal levy, marriage under duress, the right to succession, etc., which all together constituted serfdom.

In the same way, the small bourgeoisie of the Middle Ages succeeded in raising itself, while it was still under the yoke of feudal absolutism, to the rank of bourgeoisie (Communist Manifesto). By what means? By means of the formal partial suppression or complete loosening of the corporative bonds, by the progressive transformation of the fiscal administration and of the army.

Consequently, when we consider the question from the abstract viewpoint, not from the historic viewpoint, we can *imagine* (in view of the former class relations) a legal passage, according to the reformist method, from feudal society to bourgeois society. But what do we see in reality? In reality, we see that legal reforms not only

do not obviate the seizure of political power by the bourgeoisie but have, on the contrary, prepared for it and led to it. A formal social-political transformation was indispensable for the abolition of slavery as well as for the complete suppression of feudalism.

But the situation is entirely different now. No law obliges the proletariat to submit itself to the yoke of capitalism. Poverty, the lack of means of production, obliges the proletariat to submit itself to the yoke of capitalism. And no law in the world can give to the proletariat the means of production while it remains in the framework of bourgeois society, for not laws but economic development have torn the means of production from the producers' possession.

And neither is the exploitation inside the system of wage labour based on laws. The level of wages is not fixed by legislation but by economic factors. The phenomenon of capitalist exploitation does not rest on a legal disposition but on the purely economic fact that labour power plays in this exploitation the role of a merchandise possessing, among other characteristics, the agreeable quality of producing value – *more* than the value it consumes in the form of the labourer's means of subsistence. In short, the fundamental relations of the domination of the capitalist class cannot be transformed by means of legislative reforms, on the basis of capitalist society, because these relations have not been introduced by bourgeois laws,

nor have they received the form of such laws. Apparently, Bernstein is not aware of this for he speaks of “socialist reforms.” On the other hand, he seems to express implicit recognition of this when he writes, on page 10 of his book, “the economic motive acts freely today, while formerly it was masked by all kinds of relations of domination by all sorts of ideology.”

It is one of the peculiarities of the capitalist order that within it all the elements of the future society first assume, in their development, a form not approaching socialism but, on the contrary, a form moving more and more away from socialism. Production takes on a progressively increasing social character. But under what form is the social character of capitalist production expressed? It is expressed in the form of the large enterprise, in the form of the shareholding concern, the cartel, within which the capitalist antagonisms, capitalist exploitation, the oppression of labour-power, are augmented to the extreme.

In the army, capitalist development leads to the extension of obligatory military service to the reduction of the time of service and consequently to a material approach to a popular militia. But all of this takes place under the form of modern militarism in which the domination of the people by the militarist State and the class character of the State manifest themselves most clearly.

In the field of political relations, the development of democracy brings – in the measure that it finds a favourable soil – the participation of all popular strata in political life and, consequently, some sort of "people's State." But this participation takes the form of bourgeois parliamentarism, in which class antagonisms and class domination are not done away with, but are, on the contrary, displayed in the open. Exactly because capitalist development moves through these contradictions, it is necessary to extract the kernel of socialist society from its capitalist shell. Exactly for this reason must the proletariat seize political power and suppress completely the capitalist system.

Of course, Bernstein draws other conclusions. If the development of democracy leads to the aggravation and not to the lessening of capitalist antagonisms, "the Social-Democracy," he answers us, "in order not to render its task more difficult, must by all means try to stop social reforms and the extension of democratic institutions," (page 71). Indeed, that would be the right thing to do if the Social-Democracy found to its taste, in the petty-bourgeois manner, the futile task of picking for itself all the good sides of history and rejecting the bad sides of history. However, in that case, it should at the same time "try to stop" capitalism in general, for there is not doubt that latter is the rascal placing all these obstacles in the way of socialism. But capitalism

furnishes besides the *obstacles* also the only *possibilities* of realising the socialist programme. The same can be said about democracy.

If democracy has become superfluous or annoying to the bourgeoisie, it is on the contrary necessary and indispensable to the working class. It is necessary to the working class because it creates the political forms (autonomous administration, electoral rights, etc.) which will serve the proletariat as fulcrums in its task of transforming bourgeois society. Democracy is indispensable to the working class because only through the exercise of its democratic rights, in the struggle for democracy, can the proletariat become aware of its class interests and its historic task.

In a word, democracy is indispensable not because it renders superfluous the conquest of political power by the proletariat but because it renders this conquest of power both *necessary* and *possible*. When Engels, in his preface to the Class Struggles in France, revised the tactics of the modern labour movement and urged the legal struggle as opposed to the barricades, he did not have in mind – this comes out of every line of the preface – the question of a definite conquest of political power, but the contemporary daily struggle. He did not have in mind the attitude that the proletariat must take toward the capitalist State at the time of the seizure of power but the attitude of the proletariat while in the bounds of the capitalist State. Engels was giving

directions to the proletariat *oppressed*, and not to the proletariat victorious.

On the other hand, Marx's well known sentence on the agrarian question in England (Bernstein leans on it heavily), in which he says: "We shall probably succeed easier by buying the estates of the landlords," does not refer to the stand of the proletariat *before, but after its victory*. For there evidently can be a question of buying the property of the old dominant class only when the workers are in power. The possibility envisaged by Marx is that of the *pacific exercise of the dictatorship of the proletariat* and not the replacement of the dictatorship with capitalist social reforms. There was no doubt for Marx and Engels about the necessity of having the proletariat conquer political power. It is left to Bernstein to consider the poultry-yard of bourgeois parliamentarism as the organ by means of which we are to realise the most formidable social transformation of history, *the passage from capitalist society to socialism*.

Bernstein introduces his theory by warning the proletariat against the danger of acquiring power too early. That is, according to Bernstein, the proletariat ought to leave the bourgeois society in its present condition and itself suffer a frightful defeat. If the proletariat came to power, it could draw from Bernstein's theory the following "practical" conclusion: to go to sleep. His theory condemns the proletariat at

the most decisive moments of the struggle, to inactivity, to a passive betrayal of its own cause.

Our programme would be a miserable scrap of paper if it could not serve us in *all* eventualities, at *all* moments of the struggle and if it did not serve us by its *application* and not by its non-application. If our programme contains the formula of the historical development of society from capitalism to socialism, it must also formulate, in all its characteristic fundamentals, all the transitory phases of this development and it should, consequently, be able to indicate to the proletariat what ought to be its corresponding action at every moment on the road toward socialism. There can be no time for the proletariat when it will be obliged to abandon its programme or be abandoned by it.

Practically, this is manifested in the fact that there can be no time when the proletariat, placed in power by the force of events, is not in the condition or is not morally obliged to take certain measures for the realisation of its programme, that is, take transitory measures in the direction of socialism. Behind the belief that the socialist programme can collapse completely at any point of the dictatorship of the proletariat lurks the other belief that the *socialist programme is generally and at all times, unrealisable*.

And what if the transitory measures are premature? The question hides a great number of mistaken ideas concerning the real course of a social transformation.

In the first place, the seizure of political power by the proletariat, that is to say by a large popular class, is not produced artificially. It presupposes (with the exception of such cases as the Paris Commune, when the proletariat did not obtain power after a conscious struggle for its goal but fell into its hands like a good thing abandoned by everybody else) a definite degree of maturity of economic and political relations. Here we have the essential difference between *coups d'etat* along Blanqui's conception which are accomplished by an "active minority" and burst out like pistol shot, always inopportunely, and the conquest of political power by a great conscious popular mass which can only be the product of the decomposition of bourgeois society and therefore bears in itself the economic and political legitimisation of its opportune appearance.

If, therefore, considered from the angle of political effect the conquest of political power by the working class cannot materialise itself "too early" then from the angle of conservation of power, the premature revolution, the thought of which keeps Bernstein awake, menaces us like a sword of Damocles. Against that neither prayers nor supplication, neither scares nor any amount of anguish, are of any avail. And this for two very simple reasons.

In the first place, it is impossible to imagine that a transformation as formidable as the passage from capitalist society to socialist society can be realised in one happy act. To consider that as possible is, again, to lend colour to conceptions that are clearly Blanquist. The socialist transformation supposes a long and stubborn struggle, in the course of which, it is quite probable the proletariat will be repulsed more than once so that for the first time, from the viewpoint of the final outcome of the struggle, it will have necessarily come to power “too early.”

In the second place, it will be impossible to avoid the “premature” conquest of State power by the proletariat precisely because these “premature” attacks of the proletariat constitute a factor and indeed a very important factor, creating the political conditions of the final victory. In the course of the political crisis accompanying its seizure of power, in the course of the long and stubborn struggles, the proletariat will acquire the degree of political maturity permitting it to obtain in time a definitive victory of the revolution. Thus these “premature” attacks of the proletariat against the State power are in themselves important historic factors helping to provoke and determine the *point* of the definite victory. Considered from this viewpoint, the idea of a “premature” conquest of political power by the labouring class appears to be a polemic absurdity derived from a mechanical conception of the

development of society, and positing for the victory of the class struggle a point fixed *outside* and *independent of* the class struggle.

Since the proletariat is not in the position to seize power in any other way than “prematurely,” since the proletariat is absolutely obliged to seize power once or several times “too early” before it can maintain itself in power for good, the objection to the “premature” conquest of power is at bottom nothing more than a *general opposition to the aspiration of the proletariat to possess itself of State power*. Just as all roads lead to Rome so too do we logically arrive at the conclusion that the revisionist proposal to slight the final aim of the socialist movement is really a recommendation to renounce the socialist movement itself.

Part Two

Chapter IX

Collapse

Bernstein began his revision of the Social-Democracy by abandoning the theory of capitalist collapse. The latter, however, is the corner-stone of scientific socialism. By rejecting it Bernstein also rejects the whole doctrine of socialism. In the course of his discussion, he abandons one after another of the positions of socialism in order to be able to maintain his first affirmation.

Without the collapse of capitalism the expropriation of the capitalist class is impossible. Bernstein therefore renounces expropriation and chooses a progressive realisation of the “co-operative principle” as the aim of the labour movement.

But co-operation cannot be realised without capitalist production. Bernstein, therefore, renounces the socialisation of production and merely proposes to

reform commerce and to develop consumers' co-operatives.

But the transformation of society through consumers' co-operatives, even by means of trade unions, is incompatible with the real material development of capitalist society. Therefore, Bernstein abandons the materialist conception of history.

But his conception of the march of economic development is incompatible with the Marxist theory of surplus-value. Therefore, Bernstein abandons the theory of value and surplus-value and, in this way, the whole economic system of Karl Marx.

But the struggle of the proletariat cannot be carried on without a given final aim and without an economic base found in the existing society. Bernstein, therefore, abandons the class struggle and speaks of reconciliation with bourgeois liberalism.

But in a class society, the class struggle is a natural and unavoidable phenomenon. Bernstein, therefore, contests even the existence of classes in society. The working class is for him a mass of individuals, divided politically and intellectually but also economically. And the bourgeoisie, according to him, does not group itself politically in accordance with its inner economic interest but only because of exterior pressure from above and below.

But if there is no economic base for the class struggle and, if consequently, there are no classes in our society, not only the future but even the past struggles of the proletariat against the bourgeoisie appear to be impossible and the Social-Democracy and its successes seem absolutely incomprehensible or they can be understood only as the results of political pressure by the government – that is, not as the natural consequence of historic development but as the fortuitous consequences of the policy of the Hohenzollern not as the legitimate offspring of capitalist society but as the legitimate offspring of capitalist society but as the bastard children of reaction. Rigorously logical, in this respect, Bernstein passes from the materialist conception of history to the outlook of the Frankfurter Zeitung and the Vossische Zeitung.

After rejecting the socialist criticism of capitalist society, it is easy for Bernstein to find the present state of affairs satisfactory – at least in a general way. Bernstein does not hesitate. He discovers that at the present time reaction is not very strong in Germany, that “we cannot speak of political reaction in the countries of western Europe,” and that in all the countries of the West “the attitude of the bourgeois classes toward the socialist movement is at most an attitude of defence and not one of oppression,” (Vorwärts, March 26, 1899). Far from becoming worse,

the situation of the workers is getting better. Indeed, the bourgeoisie is politically progressive and morally sane. We cannot speak either of reaction or oppression. It is all for the best in the best of all possible worlds…

Bernstein thus travels in logical sequence from A to Z. He began by abandoning the *final aim* and supposedly keeping the movement. But as there can be no socialist movement without a socialist aim he ends by renouncing the *movement*.

And thus the Bernstein's conception of socialism collapses entirely. The proud and admirable symmetric construction of socialist thought becomes for him a pile of rubbish in which the debris of all systems, the pieces of thought of various great and small minds, find a common resting place. Marx and Proudhon, Leon von Buch and Franz Oppenheimer, Friedrich Albert Lange and Kant, Herr Prokopovich and R. Ritter von Neupauer, Herkner, and Schulze-Gävernitz, Lassalle and Professor Julius Wolff: all contribute something to Bernstein's system. From each he takes a little. There is nothing astonishing about that. For when he abandoned scientific socialism he lost the axis of intellectual crystallisation around which isolated facts group themselves in the organic whole of a coherent conception of the world.

His doctrine, composed of bits of all possible systems, seems upon first consideration to be completely free

from prejudices. For Bernstein does not like talk of "party science," or to be more exact, of class science, any more than he likes to talk of class liberalism or class morality. He thinks he succeeds in expressing human, general, abstract science, abstract liberalism, abstract morality. But since the society of reality is made up of classes which have diametrically opposed interests, aspirations and conceptions, a general human science in social questions, an abstract liberalism, an abstract morality, are at present illusions, pure utopia. The science, the democracy, the morality, considered by Bernstein as general, human, are merely the dominant science, dominant democracy and dominant morality that is, bourgeois science, bourgeois democracy, bourgeois morality.

When Bernstein rejects the economic doctrine of Marx in order to swear by the teachings of Bretano, Böhm-Bawerk, Jevons, Say and Julius Wolff, he exchanges the scientific base of the emancipation of the working class for the apologetics of the bourgeoisie. When he speaks of the generally human character of liberalism and transforms socialism into a variety of liberalism, he deprives the socialist movement (generally) of its class character and consequently of its historic content, consequently of all content; and conversely, recognises the class representing liberalism in history, the bourgeoisie, as the champion of the general interests of humanity.

And when he wars against “raising of the material factors to the rank of an all-powerful force of development,” when he protests against the so-called “contempt for the ideal” that is supposed to rule the Social-Democracy, when he presumes to talk for idealism, for morals, pronouncing himself at the same time against the only source of the moral rebirth of the proletariat, a revolutionary class struggle – he does no more than the following: preach to the working class the quintessence of the morality of the bourgeoisie, that is, reconciliation with the existing social order and the transfer of the hopes of the proletariat to the limbo of ethical simulacra.

When he directs his keenest arrows against our dialectic system, he is really attacking the specific mode of thought employed by the conscious proletariat in its struggle for liberation. It is an attempt to break the sword that has helped the proletariat to pierce the darkness of its future. It is an attempt to shatter the intellectual arm with the aid of which the proletariat, though materially under the yoke of the bourgeoisie, is yet enabled to triumph over the bourgeoisie. For it is our dialectical system that shows to the working class the transitory nature of this yoke, proving to workers the inevitability of their victory and is already realising a revolution in the domain of thought. Saying good-bye to our system of dialectics and resorting instead to the intellectual see-saw of the well known “on the one hand

– on the other hand," "yes – but," "although – however," "more – less," etc., he quite logically lapses into a mode of thought that belongs historically to the bourgeoisie in decline, being the faithful intellectual reflection of the social existence and political activity of the bourgeoisie at that stage. The political "on the one hand – on the other hand," "yes – but" of the bourgeoisie today resembles, in a marked degree, Bernstein's manner of thinking which is the sharpest and surest proof of the bourgeois nature of his conception of the world.

But, as it us used by Bernstein, the word "bourgeois" itself is not a class expression but a general social notion. Logical to the end he has exchanged, together with his science, politics, morals and mode of thinking, the historic language of the proletariat for that of the bourgeoisie. When he uses, without distinction, the term "citizen" in reference to the bourgeois as well as to the proletarian intending, thereby, to refer to man in general, he identifies man in general with the bourgeois and human society with bourgeois society.

Part Two

Chapter X

Opportunism and Theory in Practice

Bernstein's book is of great importance to the German and the international labour movement. It is the first attempt to give a theoretic base to the opportunist currents common in the Social-Democracy.

These currents may be said to have existed for a long time in our movement, if we take into consideration such sporadic manifestations of opportunism as the question of subsidisation of steamers. But it is only since about 1890, with the suppression of the anti-Socialist laws, that we have had a trend of opportunism of a clearly defined character. Vollmar's "State Socialism," the vote on the Bavarian budget, the "agrarian socialism" of south Germany, Heine's policy of compensation, Schippel's stand on tariffs and militarism, are the high points in the development of our opportunist practice.

What appears to characterise this practice above all? A certain hostility to “theory.” This is quite natural, for our “theory,” that is, the principles of scientific socialism, impose clearly marked limitations to practical activity – insofar as it concerns the aims of this activity, the means used in attaining these aims and the method employed in this activity. It is quite natural for people who run after immediate “practical” results to want to free themselves from such limitations and to render their practice independent of our “theory.”

However, this outlook is refuted by every attempt to apply it in reality. State socialism, agrarian socialism, the policy of compensation, the question of the army, all constituted defeats to our opportunism. It is clear that, if this current is to maintain itself, it must try to destroy the principles of our theory and elaborate a theory of its own. Bernstein’s book is precisely an effort in that direction. That is why at Stuttgart all the opportunist elements in our party immediately grouped themselves around Bernstein’s banner. If the opportunist currents in the practical activity of our party are an entirely natural phenomenon which can be explained in the light of the special conditions of our activity and its development, Bernstein’s theory is no less natural an attempt to group these currents into a general theoretic expression, an attempt to elaborate its own theoretic conditions and the break with

scientific socialism. That is why the published expression of Bernstein's ideas should be recognised as a theoretic test for opportunism and as its first scientific legitimisation.

What was the result of this test? We have seen the result. Opportunism is not a position to elaborate a positive theory capable of withstanding criticism. All it can do is to attack various isolated theses of Marxist theory and, just because Marxist doctrine constitutes one solidly constructed edifice, hope by this means to shake the entire system from the top to its foundation.

This shows that opportunist practice is essentially irreconcilable with Marxism. But it also proves that opportunism is incompatible with socialism (the socialist movement) in general, that its internal tendency is to push the labour movement into bourgeois paths, that opportunism tends to paralyse completely the proletarian class struggle. The latter, considered historically, has evidently nothing to do with Marxist doctrine. For, before Marx and independently from him, there have been labour movements and various socialist doctrines, each of which, in its way, was the theoretic expression corresponding to the conditions of the time, of the struggle of the working class for emancipation. The theory that consists in basing socialism on the moral notion of justice, on a struggle against the mode of distribution, instead of basing it on a struggle against the mode of production,

the conception of class antagonism as an antagonism between the poor and the rich, the effort to graft the "co-operative principle" on capitalist economy – all the nice notions found in Bernstein's doctrine – already existed before him. And these theories were, *in their time*, in spite of their insufficiency, effective theories of the proletarian class struggle. They were the children's seven-league boots thanks to which the proletariat learned to walk upon the scene of history.

But after the development of the class struggle and its reflex in its social conditions had led to the abandonment of these theories and to the elaboration of the principles of scientific socialism, there could be no socialism – at least in Germany – outside of Marxist socialism and there could be no socialist class struggle outside of the Social-Democracy. Form then on, socialism and Marxism, the proletarian struggle for emancipation and the Social-Democracy, were identical. That is why the return to pre-Marxist socialist theories no longer signifies today a return to the seven-league boots of the childhood of the proletariat, but a return to the puny worn-out slippers of the bourgeoisie.

Bernstein's theory was the *first*, and at the same time, the *last* attempt to give a theoretic base to opportunism. It is the last, because in Bernstein's system, opportunism has gone – negatively through its renunciation of scientific socialism, positively through

its marshalling of every bit of theoretic confusion possible – as far as it can. In Bernstein's book, opportunism has crowned its theoretic development (just as it completed its practical development in the position taken by Schippel on the question of militarism), and has reached its ultimate conclusion.

Marxist doctrine can not only refute opportunism theoretically. It alone can explain opportunism as an historic phenomenon in the development of the party. The forward march of the proletariat, on a world historic scale, to its final victory is not, indeed, "so simple a thing." The peculiar character of this movement resides precisely in the fact that here, for the first time in history, the popular masses themselves, *in opposition* to the ruling classes, are to impose their will but they must effect this outside of the present society, beyond the existing society. This *will* the masses can only form in a constant struggle against the existing order. The union of the broad popular masses with an aim reaching beyond the existing social order, the union of the daily struggle with the great world transformation, that is the task of the Social-Democratic movement, which must logically grope on its road of development between the following two rocks: abandoning the mass character of the party or abandoning its final aim falling into bourgeois reformism or into sectarianism, anarchism or opportunism.

In its theoretic arsenal, Marxist doctrine furnished, more than half a century ago, arms that are effective against both of these two extremes. But because our movement is a mass movement and because the dangers menacing it are not derived from the human brain but from social conditions, Marxist doctrine could not assure us, in advance and once for always, against the anarchist and opportunist tendencies. The latter can be overcome only as we pass from the domain of theory to the domain of practice but only with the help of the arms furnished us by Marx.

> “Bourgeois revolutions,” wrote Marx a half century ago, “like those of the eighteenth century, rush onward rapidly from success to success, their stage effects outbid one another, men and things seems to be set in flaming brilliants, ecstasy is the prevailing spirit; but they are short-lived, they reach their climax speedily and then society relapses into a long fit of nervous reaction before it learns how to appropriate the fruits of its period of feverish excitement. Proletarian revolutions, on the contrary, such as those of the nineteenth

> century, criticise themselves constantly; constantly interrupt themselves in their own course; come back to what seems to have been accomplished, in order to start anew; scorn with cruel thoroughness the half-measures, weakness and meanness of their first attempts; seem to throw down their adversary only to enable him to draw fresh strength from the earth and again to rise up against them in more gigantic stature; constantly recoil in fear before the undefined monster magnitude of their own objects – until finally that situation is created which renders all retreats impossible and conditions themselves cry out: 'Hic Rhodus, hic salta!' Here is the rose. And here we must dance!" [Eighteenth Brumaire]

This has remained true even after the elaboration of the doctrine of scientific socialism. The proletarian movement has not as yet, all at once, become social-democratic, even in Germany. But it is becoming more social-democratic, surmounting continuously the

extreme deviations of anarchism and opportunism, both of which are only determining phases of the development of the Social-Democracy, considered as a process.

For these reasons, we must say that the surprising thing here is not the appearance of an opportunist current but rather its feebleness. As long as it showed itself in isolated cases of the practical activity of the party, one could suppose that it had a serious political base. But now that it has shown its face in Bernstein's book, one cannot help exclaim with astonishment: "What? Is that all you have to say?" Not the shadow of an original thought! Not a single idea that was not refuted, crushed, reduced into dust by Marxism several decades ago!

It was enough for opportunism to speak out to prove it had nothing to say. In the history of our party that is the only importance of Bernstein's book.

Thus saying good-bye to the mode of thought of the revolutionary proletariat, to dialectics and to the materialist conception of history, Bernstein can thank them for the attenuating circumstances they provide for his conversion. For only dialectics and the materialist conception of history, magnanimous as they are, could make Bernstein appear as an unconscious predestined instrument, by means of which the rising working class expresses its momentary weakness but

which, upon closer inspection, it throws aside contemptuously and with pride.